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Japanese stocks dip on fears over banking sector

Japanese stock prices dipped 2.9 per cent yesterday on growing fears about the health of the country's banks which disclosed sharply lower profits and because of the still awaited onset of economic recovery. The Nikkei average fell below 17,000 to 16,726.37, ending the week down 6.8 per cent. Page 24; and *Lex: Hosokawa still voters' favourite*, Page 3; Japan's trust banks' share average 44 per cent, Page 11.

Revenue seeks to wind up Nissan UK: The UK Inland Revenue has applied for a winding-up order against Nissan UK, former importer and distributor of Nissan cars which was at the centre of Britain's tax fraud. Page 24

Volkswagen faces \$1.1bn losses: Europe's leading carmaker is heading for a DM2bn (\$1.1bn) loss this year, Ferdinand Piëch, VW chairman, said. But he expects group capital spending budgets to be cut by an average DM2bn annually over the next five years to help recovery. Page 11

Irish peace priority: A joint UK-Irish framework for a permanent end to violence in Northern Ireland is Irish prime minister Albert Reynolds' priority in his forthcoming summit with UK prime minister John Major. Page 24; IRA hardliners set peace deadline, Page 7

Market muted ahead of UK Budget:

The market finally got what it wanted on Tuesday with a half-point cut in base rates to 5.5 per cent. But its response was muted; the FTSE 100 index actually fell by 1.3 points on the day and only rose 3.4 points over the week to finish at 3,111.4.

The reaction reflected fears that the rate cut could be followed by some less palatable medicine in next Tuesday's Budget. Markets, Weekend Page H; London stocks, Pages 22-23; Lex, Page 24

Pressure rises for trade deals: Pressure mounted on the US and European Union to agree a detailed package of tariff cuts in manufactured goods and farm products next week at the Uruguay Round of trade talks. Page 2

Subway bosses seek help: London Underground, struggling to locate faults in its Central Line power supply cables which caused three days of disruption to users, has appealed for technical help from big UK cable manufacturers and international subway operators. Page 6

Strike paralyses Belgium: Belgium was paralysed by rail and post services shut down by the first general strike since 1986 in protest against a government austerity plan. Page 2

Hamas commander shot dead: Israeli forces in Jerusalem shot dead Khaled Zer, a military chief of the Hamas Islamic fundamentalist group. His shooting came less than two days after the killing of the Hamas head in Gaza. Page 3

US official seized: Haynes Mahoney, director of the US Information Service office in Sanaa, the Yemeni capital, was abducted from his car.

Channel tunnel death fines: Five UK construction companies building the Channel tunnel were each fined \$40,000 for failing to ensure the safety of a worker who was crushed to death while acting as a train lookout. Page 7

Euro Disney shares probe: The Paris stock market authorities have launched an inquiry into the recent volatility of shares in Euro Disney, the troubled leisure group trying to negotiate a financial restructuring package. Page 11

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Ex-RAF officer awarded £172,000: Nichola Cannon, who was forced to retire as a senior RAF engineering officer when she became pregnant, was awarded £172,912 (\$257,640) damages by an industrial tribunal. Page 4

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NEWS: INTERNATIONAL

Nationwide stoppage aims at reversing new austerity plan

General strike paralyses Belgium

By David Gardner in Brussels

Belgium yesterday was brought to a virtual standstill by a one-day general strike - the first for 58 years - aimed at rolling back the austerity plan announced last week by the Christian Democrat-Socialist coalition government.

The action comes after localised strikes launched by the two main trade unions on November 15 and 24. It is the first general strike in Belgium since 1936, when workers halted the country to demand a week's paid holiday a year.

The two main targets of the unions are a BFr75m (£1.4bn) cut in forecast social security expenditure and a pay increase limit of 2 per cent for the next three years, which amounts to a freeze on wages once inflation is taken into account.

The public sector was almost totally paralysed yesterday, with the railways, post office, and schools all mostly shut down, and skeleton staff of hospitals.

Most large private industry was at a standstill, according to the Belga news agency. This was partly the result of effective use of flying pickets, which kept such companies as BASF, Bayer, and General Motors closed, and early yesterday blocked traffic using the

southern approaches to Brussels.

The Belgian employers' federation put the cost of this week's strike at BFr12bn, which they said was equivalent to 11,000 jobs over a year.

The BFr75m saving, achieved by making eligibility for items such as child allowances dependent on income levels, is intended to keep the

social security budget in balance.

Had the government of Mr Jean-Luc Dehaene not made it, officials and economists expected renewed pressures on the Belgian franc, because of the budget deficit of over 6 per cent and unsustainable public debt equivalent to 130 per cent of national output.

The franc, which shadows

the D-Mark, has been severely tested by the markets since the August 2 European Union decision to float currencies in the European exchange rate mechanism within wide bands.

The wage freeze was as far as the centre-left coalition could go without risk of collapse, even though leading economists point out that pay has increased much faster than

productivity over the past three years. The unions and, initially, the Socialist members of the government wanted to offset the cuts and the wage freeze by increases in property tax and withholding tax on investment income.

Mr Dehaene has offered to meet the unions but shows no signs of backing away from the austerity package.



Striking workers at Zaventem airport in Belgium set up burning barricades across access roads

Pressure on US and EU grows for tariff cuts deal

By David Dodwell, World Trade Editor, in Geneva

Pressure mounted yesterday on the US and the European Union to agree a detailed package of tariff cuts in manufactured goods and farm products next week, as representatives of the 116 nations engaged in the Uruguay Round of talks on global trade liberalisation met in Geneva.

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Sanctions take toll on Serbian patients

Laura Silber finds a new Bedlam in a mental hospital without drugs

At Toponica, Serbia's largest psychiatric hospital, even the silent, skeletal face ajar.

Day after day, patients shrunken by starvation, cold and infections, shiver and die beneath grey blankets, two dozen in the last fortnight, hospital workers said.

Corpse decay as the staff search in vain for relatives who can afford the burial expenses.

The living spend their days sitting in their own extremity as hospital workers, with no drugs to administer, stand by helpless.

Few people can even travel to Toponica because petrol is in short supply and public transport has been slashed since the United Nations imposed economic sanctions on Serbia for lending military and economic support to the Serbs carving up Bosnia.

Toponica is not an island of horror;

it is but one gruesome sample of the crisis consuming the former Yugoslavia. Mr Sven Lampell, Belgrade head of the International Federation of Red Cross and Red Crescent Societies (IFRC) says donor countries are "prejudiced", reluctant to give aid to the remnants of Yugoslavia, whose leaders have been branded the chief instigators of the war.

He fears Serbia will be unable to cope with the economic collapse. The stench and squalor of Toponica are evidence of his grim view. An IFRC doctor estimates that at least 200 patients are at risk of imminent death, but warns of similar cases elsewhere.

Toponica is Bedlam, the word coined from the Bethlehem Royal Hospital established in 1547 in London. Only centuries later did anti-psychotic drugs subdue the tumult. The 1,500 psychiatric patients, 400 more

than the maximum legal capacity, for everything gone wrong in Serbia, this institution also exposes the legacy of communist disregard for psychiatric care. Serb officials blame the sanctions for the acute shortage of medicines but a Belgrade pharmacist says neuroleptic drugs are available, "but you just need to have money", he adds.

In a state whose leaders seem immune to the suffering of the population, psychiatric patients rank at the bottom of the agenda because they pose no threat to Serbian President Slobodan Milosevic.

With resources wanting in Serbia, local relief officials spar over scraps of aid. Dr Radomir Krstic, president of the Red Cross in nearby Nis, 180 miles southeast of Belgrade, appeals to the world for the Nis children's clinic, dismissing the patients of Toponica.

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for everything gone wrong in Serbia, this institution also exposes the legacy of communist disregard for psychiatric care. Serb officials blame the sanctions for the acute shortage of medicines but a Belgrade pharmacist says neuroleptic drugs are available, "but you just need to have money", he adds.

In a state whose leaders seem immune to the suffering of the population, psychiatric patients rank at the bottom of the agenda because they pose no threat to Serbian President Slobodan Milosevic.

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While the embargo is the scapegoat

UN envoy hopes to restart Bosnia talks

By Frances Williams in Geneva

Mr Thorvald Stoltenberg, the United Nations mediator on former Yugoslavia, said yesterday he hoped next Monday's meeting between European Union foreign ministers and the warring factions in Bosnia would provide the basis for fresh talks leading to a political settlement.

He said the EU initiative, which offers a phase-out of sanctions on Serbia and Montenegro if more land is returned to the Moslems by Bosnian Serbs, is "of imperative importance" in seeking to restart the talks. Negotiations on dividing Bosnia into three ethnically-based mini-states collapsed in September over Moslem demands for 3-4 per cent more territory.

Other issues for the meeting on Monday, which Presidents Slobodan Milosevic of Serbia and Franjo Tudjman of Croatia will also attend, concern guarantees of access for humanitarian aid convoys in Bosnia and the establishment of what Mr Stoltenberg called a modus vivendi between Croatia and Serb-controlled areas now under UN protection, beginning with a ceasefire.

Officials from the UN refugee agency said yesterday that after three days of relatively trouble-free aid deliveries into central and eastern Bosnia, convoys were again experiencing delays and blockages by Bosnian Serb forces.

● The Georgian government and the breakaway region of Abkhazia are to hold UN-sponsored peace talks in Geneva.

Gonzalez in bid to avert general strike

By Tom Burns in Madrid

Spain's prime minister, Mr Felipe Gonzalez, is to meet union leaders and employers' representatives next week in a bid to ease mounting industrial tension in Spain and avert a possible general strike.

Mr Gonzalez's mediation bid came the day after hundreds of thousands demonstrated in 50 Spanish cities to protest against the government's plans to reduce dismissal costs and remove rigidities from domestic labour legislation. The unions are now considering a 24-hour national stoppage before Christmas.

Officials said the prime minister would meet both sides on Thursday but the cabinet still planned to draft emergency labour market legislation next week. Talks between the government and the unions yesterday and between the government and employers the day before have failed to establish a consensus on what Mr Gonzalez has termed a "social pact" to restore competitiveness and reduce unemployment.

The urgent need for initiatives to rekindle the economy was underlined by a sharp rise in unemployment between



Hamas killings continue in Israel

By David Horowitz in Jerusalem

Less than 48 hours after killing the military commander of the Hamas Islamic fundamentalist group in Gaza, Israeli forces yesterday shot dead another leading Hamas militant.

News of the death of Khaled Zer was suppressed yesterday by the Israeli military censor, presumably in an effort to avoid further infuriating Palestinians angered by Wednesday's killing of Imad Akef, commander of the Izzedine al-Qassam military wing of Hamas, of which Zer was also a member.

Jerusalem police sent reinforcements to the Temple Mount yesterday morning, where 20,000 Palestinians gathered

for Friday prayers, and extra troops were deployed, too, in the Gaza Strip.

Although there were reports of clashes between Palestinians and Israeli troops, the violence was tame by comparison with Thursday's disturbances, in which one man was killed, another critically wounded and more than 30 others hurt.

Israeli officials said Zer had been shot dead after seeking to escape his Israeli pursuers early yesterday in the village of Surabeh outside Jerusalem. They said a rifle was found by his body.

Military sources said he had been involved in the murders of two Israeli soldiers and a civilian.

The Israeli army also released news last night that

troops shot and killed another Palestinian militant, Salim Sabah, several days ago. Sabah is alleged to have killed a Jewish settler in the West Bank earlier this month.

This spate of killings of wanted Palestinian militants underlines the Israeli determination to track down the most extreme opponents of the Israeli-PLO autonomy accord, in advance of its scheduled implementation on December 13.

But the intensified Israeli military activity is causing growing hostility to the accord among Palestinians, while Hamas leaders, far from being deterred, are vowing to avenge the deaths by kidnapping and murdering Israeli soldiers in the coming days.

Against the backdrop of

escalating hostility, Israel's Prime Minister Yitzhak Rabin said in a television interview that he did not regard December 13 - the date agreed by Israel and the PLO for the start of Israel's troop withdrawal from Gaza and Jericho - as "sacred".

It was important to ensure that all the autonomy issues were completely clarified before the deal was enacted, said Mr Rabin, "even if it takes a little longer."

In return, at a press conference in Oslo, the PLO leader Yasser Arafat insisted: "I don't think we are in need of more time, if there is a will... There is no reason to delay implementation of what we've signed."

IMF and Algeria to resume debt talks

By Francis Ghiles

OFFICIALS of the International Monetary Fund arrive in Algiers tomorrow for negotiations with the Algerian government after what has amounted to an 18-month freeze.

However, political instability will make it difficult for Algeria to reach an agreement with the IMF and its leading creditors on the country's \$38bn foreign debt.

As soon as he was appointed prime minister three months ago, Mr Redha Matik made public his wish to reach agreement with the IMF and Algeria's leading foreign creditors. Servicing the debt will cost \$8.4bn this year, absorbing 83 per cent of exports of goods and services.

Loosening the noose of debt repayments is thus key to increasing economic activity which depends on the imports of raw materials and semi-processed goods.

Any agreement with the IMF depends on the ability of Algerian leaders to implement bold domestic reforms. A reform package was launched in 1989 which opened up the country to foreign investment, abolished state monopoly of foreign trade and devolved the dinar.

It was probably never like this in this country to erase a budget deficit, Mr Cardoso said. Brazil's budget deficit has in the past been covered by the government's inflationary practice of issuing short-term securities. Mr Cardoso said this would no longer happen.

The budget, which will be formally presented to President Itamar Franco and Congress next week, is expected to be the first of several measures to be announced over the coming months designed to try to stabilise the country's economic woes.

There is speculation Mr Cardoso will next week announce a new price index. This would be seen as the first step towards linking wage and price increases to the exchange rate which it is hoped would bring inflation down next year.

The budget won cautious backing from the government's coalition partners. But analysts pointed out that some of the spending cuts would be unpopular and difficult to implement, especially with presidential and congressional elections next year.

For example, one of Mr Cardoso's proposals would give the central government greater influence over money which otherwise goes straight to states and municipalities which need a constitutional amendment to become law.

Mr Cardoso will also rely on congressional approval for a planned increase of 5 per cent points in all income tax to give a new top rate of 35 per cent.

The latest round will conclude in Beijing today. China has said it is anxious to reach an agreement, but has shown little flexibility on proposed arrangements for municipal elections due in 1994, and a Legislative Council (Legco) poll in 1995.

Beijing has rejected a plan by Hong Kong Governor Chris Patten to extend the franchise for elections in Hong Kong.

The budget is partly designed to please the International Monetary Fund which is holding off approving a restructuring of Brazil's commercial foreign debt until the country can demonstrate it is tackling its economic problems.

A balanced budget is thought to be one of several key requirements the IMF wants before it will approve the restructuring deal.

Even though the IMF has yet to approve the deal, Mr Cardoso is due to start signing the restructuring agreement with Brazil's private bank creditors on Monday in Toronto. He is expected to announce the next steps in his economic programme when he returns to Brazil next week.

Other measures to be announced included a 3 per cent tax on overseas fund raising, such as bond issues. This was designed to stop speculative foreign investment flows.

Also, a recent surge in foreign investment had inflationary effects because Brazil's central bank is still obliged to buy all foreign currency coming into the country, and issue local currency as payment.

NEWS IN BRIEF

Germany bans Kurd militants

The German government yesterday banned the separatist Kurdish Workers Party, the PKK, and 35 related groupings, calming popular fears that Germany was becoming a breeding ground for foreign extremism, Ariane Genillard reports from Bonn.

Police also raided over 100 Kurdish homes and offices across the country. The PKK, which demands independence for Kurdistan in south-east Turkey, is believed to have orchestrated a wave of attacks against Turkish properties across Europe. The move was welcomed by the Turkish community in Germany whose members have often violently clashed with resident Kurds.

Yemenis kidnap US envoy

A US diplomat has been kidnapped in the Yemeni capital Sanaa, apparently by tribesmen from a lawless region at odds with an American company, Reuter reports from Sanaa. Mr Haynes Mahoney, director of the US Information Service office in Sanaa, was snatched on Thursday evening as he went to a British Airways party at a downtown hotel.

Hewson to attend inquiry

Dr John Hewson, Australia's opposition leader, and Mr Conrad Black, the Canadian media proprietor, are expected to appear before a Senate inquiry into ownership of the John Fairfax newspaper group, Bruce Jacques reports from Sydney.

Dr Hewson's decision to appear removed a threat to the setting-up of the inquiry which requires co-operation between the Opposition and the Democrats who can together control the Senate. The prime minister, Mr Paul Keating, has so far refused to appear before the inquiry which will examine allegations of commercial and political trade-offs between himself and Mr Black before the Australian elections in March this year.

Mr Black claims that Mr Keating demanded "more balanced" political coverage from Fairfax newspapers as a precondition to consideration of any increase in Mr Black's interest in the group.

Water festival leaves Phnom Penh businesses adrift

The owners of floating

restaurants and brothels along the riverside in central Phnom Penh have little to celebrate at Cambodia's water festival this year. They have been ordered by the city council to move their businesses to make way for spectators at boat races this weekend. Dozens of small businesses and hundreds of people living in shacks along the river bank have also been told to move as part of a "make Phnom Penh beautiful" campaign.

The water festival marks a bizarre annual event in Cam-

Hosokawa still voters' favourite

By William Dawkins in Tokyo

The popularity of Mr Morihiko Hosokawa's cabinet continues to defy economic gravity, according to a poll published yesterday.

A survey of 2,149 people by the Yomiuri Shimbun newspaper gave the cabinet 73.5 per cent support. This is up from a fraction a month ago, during which time Japan's recession has deepened.

The public shows no signs yet of blaming the divided secession party for failing to respond to widespread calls for a decisive step, such as an income tax cut, to stimulate the economy.

The prime minister's own party, the Japan New Party, saw a nearly full percentage point increase in popularity from September to October, to 15.5 per cent, making it Japan's second most popular party.

Mercury victims win court battle

By William Dawkins

A Japanese district court yesterday ruled that government can be held liable for industrial pollution, setting an important precedent in environmental law.

The court, in Kyoto, awarded damages of Y193m (\$1.2m) to 38 people who suffered mercury poisoning 37 years ago in a disaster has become a symbol of Japan's environmental conscience.

It was caused when a factory owned by Chisso, a chemicals group, pumped polluted sludge into the sea near Minamata, a southern Japanese fishing village in the prefecture where Mr Morihiko Hosokawa, the prime minister, later became governor.

It was not until eight years ago that the victims managed to bring their case to court. Out of 141 plaintiffs, eight have died waiting for Japan's

mercury victims to produce an answer, and one has withdrawn.

This was despite Mr Hosokawa's efforts to obtain a quick out-of-court settlement during his tenure as governor of Kumamoto prefecture.

The Kyoto court yesterday ruled that the prefectural and national governments, as well as Chisso, failed to take proper action to prevent the outbreak and spread of so-called Minamata disease, paralysis caused by eating fish poisoned with mercury.

The main points at issue were whether government could be declared negligent and whether the victims really were suffering from mercury poisoning.

Friday's was the fifth such court ruling concerning the mercury poisoning.

The ruling affected only 46 plaintiffs. Other separate cases are still pending.

forced to leave their sites for the three days of the water festival, but have then been allowed to return.

This year, the city council is determined that they will not be allowed to return.

Many owners of floating restaurants and brothels along the riverside have left their prime locations and have pledged that they would petition the council on Monday morning.

According to one policeman sent to clear the site, "if they pay enough, they will be allowed to come back. This is Cambodia."

NEWS: UK

Management saves Daf's parts operation

By Kevin Done,
Motor Industry Correspondent

The UK components operations of Daf, the failed Dutch commercial vehicle maker, have been rescued from receivership by a management buy-in team which has made secure 510 jobs in Glasgow and Leyland, Lancashire.

A new company, Albion Automotive, has been formed to take over the former Albion axle plant in

Scotsburn, Glasgow which employs 330 people, as well as the Leyland components plant which employs 180.

The company will be led by Mr Dan Wright, formerly managing director of Fleming Thermodynamics, an engineering consultancy based in East Kilbride, Lanarkshire, and now a subsidiary of Motherwell Bridge, the engineering group.

The management team has secured backing of about £12m.

Bank of Scotland is providing long-term finance and overdraft facilities of about £5m, while selective regional assistance from the Scottish Office will add up to about £1.5m. Additional funding is being provided by the Glasgow Development Agency and Strathclyde Regional council.

Equity backing of close to £1m is being provided by the syndicate of former Daf creditor banks led by ABN-AMRO of the Netherlands.

The bank syndicate is providing venture capital finance through the Leyland Daf receivership, led by the joint administrative receivers, Mr Murdoch McMillan and Mr John Talbot of accountants Arthur Andersen.

The rescue of the two operations almost completes the restructuring of the former Leyland Daf truck and van operations in the UK after the financial collapse of Daf in February.

About 2,700 of an original 5,500 UK jobs at Leyland Daf have survived.

The Birmingham van plant and the Leyland truck plant have been rescued by management buy-outs. The parts operation in Chorley was bought by a management buy-in team and the sales and marketing activity in Thame, Oxfordshire, was taken over by Daf Trucks in the Netherlands.

Mr Wright said Albion Automotive would have an initial turnover of about £20m. The workforce has supported the rescue by agreeing to a 5

per cent pay cut and a far-reaching package of new work practices.

The company has secured contracts of up to six years to supply truck and van axles to Leyland Trucks and Leyland Daf Vans, as well as truck and bus chassis components and piping to Leyland Trucks and Daf Trucks.

The company plans to develop in the fields of vehicle chassis and driveline components through joint ventures and acquisitions.

Gilt sale 'clue' to tax rises in Budget

The Bank of England surprised financial markets yesterday by announcing a gilt auction for December 8, triggering speculation that next week's Budget would raise taxes by a large amount. Peter Marsh writes.

The Bank said an unspecified amount of bonds in the maturity range between 2002 and 2006 would go on sale, confirming expectations that the next auction would not be held until January.

The announcement sparked a surge of buying interest in long-dated gilts, which closed last night up more than half a point on the view that the Budget will be positive for gilts.

Many gilt investors would like Mr Kenneth Clarke, the chancellor, to raise taxes on Tuesday by about £2bn to curb the £50bn fiscal deficit. A tightening of this order would be considered good for gilts because it would reduce the volume of bonds to be issued over the next two years.

The Bank will announce on the day of the Budget the amount of gilts to be sold on December 8 and the exact maturity.

The gilt market believes the Bank will decide to sell £2.5bn to £3bn of gilts in the auction.

British Coal in talks on pit tender

British Coal said it had started negotiations with Mr Malcolm Edwards, former commercial director, on his tender to restart mining at Coventry colliery.

It said it wanted an agreement as quickly as possible on a lease and licence.

Coventry is only the second of 20 closed collieries put out to tender by British Coal to reach the negotiation stage. The other is Clipstone in Yorkshire, where agreement has been reached in principle for RJB Mining to resume mining over the next two years.

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The gilt market believes the Bank will decide to sell £2.5bn to £3bn of gilts in the auction.

Drop in fraud loss on credit cards

The cost of fraud on credit and debit cards fell by 17 per cent in the first six months of the year because banks and retailers tightened security, the Association for Payment Clearing Services said yesterday.

Losses due to fraud fell by £15m to £71m compared with the first half of 1992. Among the measures to cut fraud has been a increase in the proportion of transactions that are electronically checked.

Holiday company fined £3,500

Falcon Holidays, a subsidiary of Owners Abroad, the holiday company, was yesterday fined £3,500 for making bogus promises in a brochure.

The company admitted three breaches of the Trades Descriptions Act at Lewes Magistrates' Court in Sussex.

The court heard that a brochure had made inaccurate claims about the quality of the beach and leisure facilities at Cala Canutells, in Menorca.

Fall in bank mortgage lending

New mortgage lending by banks fell last month in spite of their attempt to increase their share of the mortgage market. The fall is further evidence that the recovery in the housing market remains hesitant.

Earlier Mr Beston told the hearing that he believed the tools were specially designed to be used on a narrow technical approach which he had not experienced previously. While he admitted he was familiar with the 'special design' concept, he said he believed that the machines were dedicated to military manufacturing.

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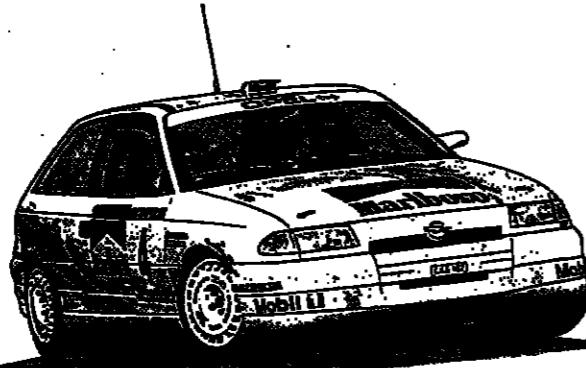
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ASTRA



Opel wins the
We'd like to
Astra GSi pilots, Bruno Thiry and Stéphane Prevot, on their excellent performance.

FIA Rallye World Cup for Manufacturers of Touring Cars.
congratulate the successful Opel Team Belgium with the
OPEL

Regulation reinforced at Lloyd's

By Richard Lapper

Lloyd's of London yesterday moved to reinforce its senior management team by appointing Sir Alan Hardcastle, the former head of the government's accountancy service, to take charge of regulation at the insurance market.

Sir Alan will become chairman of Lloyd's regulatory board and deputy chairman of its governing council, replacing Mr Brian Garraway, who died in September.

Mr David Rowland, chairman of Lloyd's, said: "His wealth of experience will be invaluable in continuing to develop the new regulatory environment at Lloyd's."

A former senior partner of Peat Marwick, Mitchell (now KPMG Peat Marwick), Sir Alan, aged 60, became head of the government accountancy service in 1989.

Separately it emerged yesterday that Mr Rowland and Mr Peter Middleton, chief executive, have persuaded many of Lloyd's largest agencies to make voluntary donations to help settle out of court legal actions by 17,000 loss-making Names - individuals whose assets support the market.

The contributions vary from less than \$100,000 for smaller agents to more than \$1.5m for some of the largest, with the total collected amounting to at least \$25m.

Lloyd's hopes to finance the bulk of its settlement offer to Names from two other sources:

Merrett transfer, Page 10

IRA hardliners set peace deadline

Republican leaders are weighing the political gains of an agreement against the threat to morale, write Tim Coone and Jimmy Burns

Republican sources say that hardliners in the IRA are giving the peace initiatives less than a month before they publicly blame the British government for their failure and declare the process dead.

IRA leaders are reported to be weighing the political gains which could spring from a comprehensive agreement between Dublin and London against the risks to internal discipline and morale posed by the current de-escalation of activity which has, as yet, produced no political breakthrough.

Names will be offered a "bespoke" settlement depending on which loss-making syndicates they belong to, with the amount of compensation offered reflecting the chances of success of their separate legal actions and a series of other factors.

The agents' voluntary contribution, however, has stretched the resources of the 100 agents trading at the market. Many have seen their income shrink following the losses of recent years.

One chairman conceded that his agency had been forced to borrow to finance the payment and some smaller agents could be forced into insolvency.

One managing director said: "There are agents who are being asked for sums which will kill them. It is an extremely emotional issue."

Donations were calculated according to a complex formula which reflects the deductibles on agents' errors and omissions policies (the amount of each claim paid by the policyholder) as well as the exposure of agents to legal actions.

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An uneasy lull in the violence after the recent atrocities has created a crucial breathing space in which the peace process embarked on by the British and Irish governments can develop. But there is also a growing belief that time is running out, and that should talks fall there may be a surge in violence which will match, and possibly exceed, the worst levels of the past 25 years.

Nevertheless the IRA has scaled down its operations since the bomb on the Shankill Road in Belfast and the loyalist gun attack on a pub in Londonderry. This has been matched by a scaling down of army operations.

Army tactics also seem to have changed. "Target acquisition", where soldiers train loaded guns on passers-by in republican areas, and the "bomb burst" where soldiers

burst out of armoured vehicles and rush through the streets covering each other with their weapons, are no longer employed. In a more subtle de-escalation soldiers have tended to wear berets rather than helmets in less dangerous areas.

Security sources also suspect that the IRA's military capability may have been temporarily weakened by a recent series of discoveries of arms caches in the UK and the Republic of Ireland, and that a certain wariness may be behind the push for a peace settlement.

But they do not doubt the IRA's own claims this week that it is still capable of striking heavily should a decision be made to resume action.

According to security sources any resumption of a high-intensity military campaign by the IRA will almost certainly involve renewed attacks on commercial targets on the mainland. They say the IRA remains convinced that the bomb attack on the City of London in April was a major coup and that something similar should be attempted if the government seems to put Northern Ireland in the political background again.

Sinn Féin has not yet written off the peace initiative between

Mr John Hume, leader of the Social Democratic Labour Party, and Mr Gerry Adams, Sinn Féin president, in spite of its rejection by Dublin and London.

Sinn Féin believes that either the Anglo-Irish summit pencilled for next Friday or even informal contacts might produce key concessions facilitating a permanent ceasefire.

Mr Tom Hartley, the Sinn Féin chairman, said: "The process is not over yet. Politics is

about looking for opportunities. I suspect the British government has no viable alternative to the Hume-Adams proposals and is just saying no... I will be looking for whatever emerges from the summit that can create a dynamic for change."

He added: "It is possible that a response would not even happen at a public level, but will probably be made in a private way," suggesting that Sinn Féin hopes to reopen a secret channel of negotiation with the British government which it claims was closed off last July after unionist complaints.

The dilemma for the two prime ministers, even if they were about to offer an olive branch to the IRA, is that there are growing concerns in the security forces about the threat posed by loyalist paramilitaries. One army source said: "We are in a process of reassessing the threat. It has to change, come from one side only but we are having to reorientate our planning to face a possible threat from the other side as well."

Tunnel groups fined over death

Five UK construction companies building the Channel tunnel were fined £40,000 each yesterday for failing to ensure the safety of a worker crushed to death while acting as a train lookout.

Mr David Griffiths, aged 26, of East Street, near Dover, died when he jumped off a train to change a set of points. Maidstone Crown Court in Kent was told. He was crushed in a 12in gap between his train and another.

The court heard that he had not received the required training to be a train lookout, also known as a bankman.

Mr Hugh Carlisle QC, prosecuting for the Health and Safety Executive, said: "Mr Griffiths should not have even been on the train. Not only was he not qualified as a bankman but he had also never been trained to work underground."

Mr Michel Kalipetris, defending, said: "We accept Mr Griffiths should not have been on the train, but he slipped through a system that had been devised to stop such accidents."

Judge Felix Waley said: "The failure in this case is one of the worst this court has heard about in the past years. This accident happened because the safety procedures in place were not properly supervised and carried out."

The Transmanche Link consortium companies, Balfour Beatty Construction, Wimpey Major Projects, Tarmac Construction, Taylor Woodrow, and Constat Civil Engineering admitted failing to ensure Mr Griffiths's safety.

Budget fears hit northern companies

By Chris Tighe and Ian Hamilton Fazey

Many businesses view next week's Budget with trepidation, fearing that Tuesday's half-point cut in interest rates was a "softener" for tax increases, the Confederation of British Industry in the north of England said yesterday.

Donations were calculated according to a complex formula which reflects the deductibles on agents' errors and omissions policies (the amount of each claim paid by the policyholder) as well as the exposure of agents to legal actions.

Exports account for nearly 45 per cent of the north's manufactured output, the highest regional proportion in the UK.

Mr Foord said that in spite of

the low level of interest rates little investment was planned. The reason was not lack of finance, but of confidence.

Mr Foord said conditions for businesses in north east England and Cumbria had continued their slow improvement, but companies doing well tended to be those seeking new markets around the world, particularly outside western Europe.

Exports account for nearly 45 per cent of the north's manufactured output, the highest regional proportion in the UK.

Mr Foord said yesterday that,

after stalling in September, the trend in orders picked up to levels last seen in January, but this was not enough to take up much spare capacity. Mr Ian Hughes, director of the EEF's Yorkshire and Humberside Association, said industry was using an average of only 69 per cent of capacity.

Separately, manufacturers in Yorkshire and Humberside have confirmed "an unsteady and patchy emergence from recession", according to an Engineering Employers Federation survey of its 300 members in the region.

The EEF said yesterday that, after stalling in September, the trend in orders picked up to levels last seen in January, but this was not enough to take up much spare capacity. Mr Ian Hughes, director of the EEF's Yorkshire and Humberside Association, said industry was using an average of only 69 per cent of capacity.

Home orders were volatile in October and November, with 41 per cent of companies reporting an improvement and 24 per cent a decline. Although exports picked up for 25 per cent of companies and fell for

18 per cent, the majority - 57

per cent - reported no change. Nearly 75 per cent reported unchanged investment plans.

With profit margins tightening under competition, this caution was almost inevitable, given that 31 per cent of companies suffered a decline in profitability against 16 per cent which reported an improvement.

Cashflow deteriorated for 20 per cent, with only 16 per cent saying it was better.

Mr Hughes said the large volume of spare capacity made it unlikely that any Budget incentives would encourage much investment.

MPs accuse ministers over energy efficiency 'failure'

By Bronwen Maddox, Environment Correspondent

The government has made little progress in encouraging energy efficiency, the Commons environment committee said in a highly critical report yesterday.

Mr Robert Jones, Conservative chairman of the committee, said: "We are one of the most complacent nations in the world on energy efficiency."

The report is particularly sceptical about the likely effectiveness of the Energy Saving Trust, an organisation set up to promote household energy efficiency, which has been one of the central planks of the government's strategy for combating global warming. The committee reports that it is "concerned that the trust will not achieve the funding levels needed to meet its target of reducing carbon dioxide emissions".

The government wants fund-

ing for the trust's projects to come from the gas and electricity utilities, which would pass on the costs to customers in their bills. The report said, however, that it had found "a huge discrepancy between what the trust considers it needs and what it is likely to receive".

The UK committed itself at last year's Rio Earth Summit to stabilising emissions of carbon dioxide, largely produced by burning fossil fuels, at 1990 levels by the year 2000. Government figures suggest this would mean a cut of about 10m tonnes of carbon (mtC) on projected annual levels, or about 6 per cent.

The government has said it expects the trust's schemes to save 2.5mtC, a quarter of the total. The controversial imposition of value added tax on domestic heating fuel, announced in the spring Budget, will save a further 1.5mtC, it has said.

The government wants fund-

Labour warns on Welsh agency

By Roland Adurburgh, Wales and West Correspondent

LABOUR yesterday claimed the government was putting the future of the Welsh Development Agency in question because of asset sales and cuts in its grant.

The party was setting out a new agenda for the agency in the wake of the highly critical Commons Public Accounts Committee report earlier this year. Mr Ron Davies, shadow Welsh secretary, and Mr Rhodri Morgan, frontbench spokesman on Wales, welcomed the WDA's new chairman, Mr David Rowe-Beddoe,

and what they described as the board's "swift no-nonsense disciplinary action". They added: "We hope a line can now be drawn under this episode."

They told a Commons press conference a much bigger shadow was now being cast over its future.

They said: "By forcing the agency to sell off land and factories on a massive scale, and by cutting its government grant, John Redwood [Welsh secretary] has thrown the WDA's whole existence into question."

While this year, they said, the agency was committed to a budget of £171m, "less than

half the budget, £78m, is from Welsh Office coffers. The WDA has to raise £50m from land disposal and £20m from land rental to make up the programme. Projections for next financial year make grim reading."

Mr Davies and Mr Morgan called for the WDA to be given a clear development strategy and a secure financial plan. The agency should be rebuilt as "the engineering of the Welsh economy" with less emphasis on inward investment and more on indigenous investment, and freed from the political stranglehold of the Welsh Office.

According to Paragraph 13 of the Articles of Association only those shareholders are entitled to vote at the extraordinary general meeting who have received and presented the extraordinary general meeting the extract from the share book issued by the Board of Directors on their registered shares.

According to Paragraph 13 of the Articles of Association shareholders may exercise their right of voting personally or by their authorized representatives.

Authorizations have to be presented by shareholders or their representatives on December 29 1993, at 10 a.m. to the above address, their participants at the extraordinary general meeting will therefore receive the extracts from the share books entitling them to vote.

Chairman of the Board of Directors of Tangeram Co. Ltd.

NOTICE TO SHAREHOLDERS

The Chairman of the Board of Directors of Tangeram Co. Ltd. (H-1340 Budapest, IV. Vaci street 77.) hereby notifies that the Company shall hold its next

EXTRAORDINARY GENERAL MEETING

on December 29, 1993, at 10 a.m.

in the Board Room No. 111. of the Company at the above address.

The Agenda of the Extraordinary General Meeting shall be:

1. Amendment of the Articles of Association

2. Dismissal of the present auditor

3. Appointment of new auditor

According to Paragraph 13 of the Articles of Association only those shareholders are entitled to vote at the extraordinary general meeting who have received and presented the extraordinary general meeting the extract from the share book issued by the Board of Directors on their registered shares.

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Chairman of the Board of Directors of Tangeram Co. Ltd.

THE LEEDS

£50,000,000

Subordinated

Floating Rate Notes

Due 1998

Interest Rate:

6.0125% per annum

Interest Period:

30th November, 1993 to

31st May, 1994

Interest Amount per

£500,000 Note due

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Saturday November 27 1993

Principled taxation

In March of this year, in what turned out to be his last budget, Norman Lamont surprisingly introduced a significant change in the tax treatment of pension funds. This is not how the change was presented. It was presented as a change in the treatment of advance corporation tax that would, as luck would have it, raise £200m in 1993-94. Without warning, the chancellor chose to undermine long-standing assumptions about the tax treatment of pensions. He did so because he thought a raid on pension funds would attract minimal obloquy. Alas, he was right.

This decision may not have been the most important in the budget. But it was particularly revealing. Mr Lamont decided to lower the rate of advance corporation tax, which is advance income tax on dividend income, to 20 per cent, while lowering the rate of tax credit to the same level.

For most ordinary shareholders the change was neutral. It was not, however, for tax-exempt shareholders, such as pension funds. The sudden increase in the gap between the rate of corporation tax, on the one hand, and the rate of ACT, on the other, has made them significantly worse off. To cut a long and complex story short, the government had decided to raid pension fund surpluses to fill part of the yawning fiscal gap.

What, apart from the technical obscurity of the measure, was so wrong with that? One thing wrong with it is precisely the technicality of the change. That obscurity is what made it possible to present a plan whose effect was to raise almost £1bn from companies, via their pension funds, as a way of providing companies with "cash flow benefits of about £200m over the next two years".

Fiscal pickle

How clever! But how deceitful! The chancellor could, instead, have admitted that the fiscal pickle into which profligacy and an incorrectly forecast recession had led the government meant greater taxation of pension funds. He did not. His failure to do so, while no more than could be expected, was unprincipled in two significant respects.

The first concerns the proper treatment of income and expenditure. In 1984, the then-chancellor, Nigel Lawson, indicated a desire to reform the system of income taxation. The notion was misinterpreted, but it was at least coherent. Subsequently, however, changes were made in the direction of taxation of expenditure. The case for expenditure taxation is strong in itself. While the government never articulated its view of the matter, it looked as though this was also the direction

in which it intended to go. That is no longer true. The sudden change last March in the tax treatment of the most important financial assets held, albeit indirectly, by the UK personal sector has thrown everything into the air. This matters. It matters partly because the tax treatment of savings is among the most important single features of any fiscal system. It matters also because at the end of 1992 the gross value of UK pension funds was close to £400bn, and represented 29 per cent of the gross and 43 per cent of the net financial assets of the personal sector.

Political convenience

The second concern is still more fundamental. People have to plan their lives on assumptions about how their savings will be allowed to accumulate. In precisely the same way, they need to know what services and benefits the state will provide. This is why continuity of approach and clarity of principle are so important, points that should be obvious to Conservatives. When the state spends 46 per cent of gross national income and raises 37 per cent of it in taxation, it must do more than tack and trim as the winds of political convenience suggest. How can citizens hope to make sensible plans of their own if the government is either unwilling or unable to clarify its own?

When chancellor, Lord Lawson showed he understood the need. In his budget statement of 1985, for example, he argued there was "a case for changing the tax treatment of pension funds, as part of thorough-going reform of the tax treatment of personal savings generally. Any fundamental reform of this kind would... need to be preceded by the publication of a Green Paper." The UK is still waiting for that paper.

The fiscal treatment of savings is important in itself. But the inconsistencies in its current treatment are also an indication of what is wrong with British government. What is needed is a stable and transparent fiscal system, based on clear and defensible principles.

In recent years, the UK appears to have been moving further away from that objective. The sudden introduction of a third rate of income tax when Lord Lawson had reduced the number to two is another egregious example.

The unified budget has offered an opportunity to do better. Up to now nothing suggests it is being seized. Tuesday will reveal once and for all how far Mr Clarke, too, is addicted to clever wheezes. The omens are inauspicious. If they prove correct, this failing may matter far more than any, inevitably uncertain, "budget judgment" he may have reached.

On Tuesday all eyes will be on Mr Kenneth Clarke as the chancellor delivers the most ballyhooed Budget in recent years.

The first modern Budget to combine spending and taxation decisions will be vital for the survival of Mr John Major's battered government. It will give the British public and foreign investors a first real insight into the economic policies and philosophy of the man who became chancellor six months ago. It could be crucial to the UK's ability to withstand increasingly powerful competition from east Asia and survive as a leading industrial power in the 1990s.

Above all, the Budget must be a success for Mr Clarke if he is still to be regarded as Mr Major's natural successor. The chancellor is condemned to take risks. Although the economy is recovering steadily from recession, business and consumer confidence is at a low ebb.

If Mr Clarke is serious about tackling the UK's large £50bn budget deficit with the aim of securing sustained non-inflationary growth, now is the time to act. The electoral cycle means that he can ill afford to delay unpleasant medicine. The trick that he must master is to serve it up in a palatable way.

The chancellor has some advantages. Barring unforeseen developments, he will have surprise on his side when he opens William Gladstone's scruffy red and gold budget box.

True, his big day has been preceded by a cacophony of speculation, fostered in part by Mr Clarke's decision to abolish pre-budget surplus for himself and Treasury ministers, and fuelled by intensive lobbying from all the possible interest groups. But the muffled howling of spending departments that always accompanies their annual negotiations on public spending with the Treasury, and the ventilation of every conceivable tax wheeze, has only left the nation confused.

The Treasury, Whitehall's Prudential guard, has maintained its discipline throughout the past four and a half months of Budget preparation and allowed no clearly defined leaks. While it is possible to make reasonably well-informed guesses about the Budget, all but a very small group of Treasury ministers and senior officials are in the dark about the chancellor's plans.

We do know quite a lot about Mr Clarke, his politics and his preferences. In his first important public speech after moving into number 11 Downing Street, the self-styled son of the industrial Midlands said he wanted to be remembered "as a chancellor under whom the British businessman and woman and their workforce were able to earn a better living".

He has since laid great stress on the need for greater saving and investment in the UK economy. He wants to reduce the amount the government spends as a proportion of gross domestic product from more than 45 per cent to less than 40 per cent. However, unlike some Tories, he believes government can do some good through public spending and is not prepared to cut it below an acceptable minimum.

Since his first lengthy interview with the Financial Times in June, the chancellor has consistently said that the projected 1993-94 public sector borrowing requirement of £20bn, or 8 per cent of GDP, is too high. He has been equally consistent in not ruling out higher taxes to reduce the deficit in addition to the £5.72bn for 1994-95 and the £10.5bn for 1995-96 decided by Mr Norman Lamont.

Cutting public spending would be one way of rebalancing the economy.

Short-term pain for long-term gain could be the theme of Kenneth Clarke's first Budget, writes Peter Norman

Glittering prizes if he gets it right

Clarke's Budget must deliver

Spending deficit

Public spending

Private consumption

Government spending

Private investment

Trade balance

The smoke has cleared a little. After seven long years, the US Congress this week passed its first significant gun control law since the assassination of Mr Robert Kennedy and Rev Martin Luther King Jr in 1968.

The legislation - known as the Brady bill after Mr James Brady, the former White House press secretary severely wounded in an assassination attempt on President Ronald Reagan - would impose a five-day waiting period on purchases of handguns. It would give law enforcement authorities time to check the buyer's background.

Advocates of tougher controls on guns were jubilant about their victory over stubborn resistance by Republican senators from western states such as Idaho and Alaska, who have long opposed any restriction on gun ownership in the US.

The Brady bill's opponents in Congress say it will inconvenience only law-abiding citizens, not criminals who buy or steal their weapons away from the government's prying eyes.

They point to glaring failings in the federal government's policing of the 276,000 licensed gun dealers in the US as evidence of the Brady bill's likely ineffectiveness. For instance, one newspaper reporter successfully obtained a dealer's licence for his dog by submitting a made-up social security number.

Studies of state laws requiring some form of background check suggest, however, that at least some sales to convicted felons have been stopped, and some suspected criminals have been caught when they tried to buy a gun.

But the most ardent supporters of the Brady bill acknowledge that it will make no more than a dent in the estimated 7.5m legal sales each year of new or used firearms.

George Graham examines an important victory for US advocates of tougher firearms laws

arms, let alone the approximately 200m guns in circulation and will barely affect the more than 14,000 murders and 1,400 accidental deaths involving guns each year.

"The longest journey begins with a single step," Mr Brady said after the bill's final passage in the Senate on Wednesday.

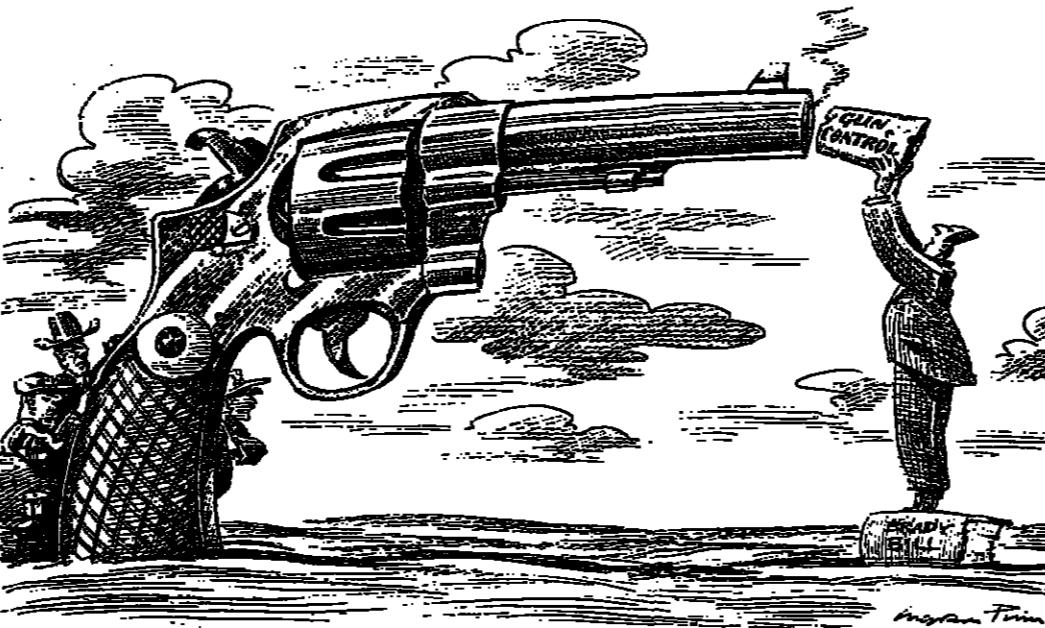
Despite its uncertain effect, passage of the Brady bill is read by some as a sign that the tide has turned decisively in favour of gun control. Other initiatives in Congress and in state legislatures are under way. The Senate last week agreed in a separate bill to ban assault weapons, a measure already in force in California, New Jersey and Connecticut. Virginia has passed a law restricting people to one gun purchase a month.

With the federal government considering the imposition of punitive taxes on some particularly devastating types of ammunition, the Winchester company recently decided to withdraw its Black Talon bullet. This is prized by some game hunters for its killing power but detested by emergency room doctors for the damage it inflicts on humans as it mushrooms on impact.

The strength of public feeling about rampant gun use has clearly grown in the face of an apparently unstoppable wave of urban violence that has brought the rate of death by shooting among young black men to more than 150 per 100,000, and led to the installation of metal detectors in city schools.

The fear of violent crimes such as carjackings and drive-by shootings has spread even beyond the inner city and into the suburbs and the countryside, provoking a widespread feeling that something - anything - must be done.

Guns 'n' poses



The message from an outraged public is not, however, unequivocally in favour of gun control.

Paradoxically, while thousands of people have been telephoning their Republican senators to demand that they stop blocking the Brady bill, thousands have also been flocking to join the National Rifle Association, the leading organisation among the pro-guns lobbies. In the past year and a half, it has gained 1,000 members a day to bring its

total, which had declined to about 2.6m in 1991, to a record of about 3.3m. Many new members and gun owners are women.

Recent election results have shown, too, that simply being tough on guns is not enough to woo the voters. Although Democratic Governor Jim Florio of New Jersey came close to victory in the gubernatorial race this month by striking a tougher stance on both guns and crime in general than his Republi-

can challenger, Mrs Christine Todd Whitman, this was not enough. Voters were swayed by economic considerations and particularly by the memories of his first-term tax increase.

In Virginia, meanwhile, Ms Mary Sue Terry, the Democratic candidate for governor, relied in her campaign on gun control and was thrashed by Mr George Allen, her Republican opponent, who did not favour tighter curbs but promised

to be tough on criminals by abolishing parole.

While such results do not indicate that the NRA has been routed, they have put the association on the defensive. Most members now favour some form of gun control, but the core membership opposes all restraint on the sale of firearms. Their beliefs are rooted in an almost theological sense that any fanatical interpretation of the second amendment to the US constitution, which states that "A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed."

"The second amendment is not about duck-hunting. In the 1990s, it is about self-defence," says Mr James Jay Baker, the NRA's chief Washington lobbyist.

To many association members, the right to self-defence is not just against muggers or burglars, but against a tyrannical government. Mr Neal Knox, sacked from a lobbying position with the NRA in the 1980s but now one of its elected directors, argues that the second amendment is the citizen's "freedom insurance plan" against tyranny.

Mr Knox says the Holocaust would not have happened if Europe's Jews had owned rifles, and if the Nazis had not been able to confiscate guns, thanks to gun registration laws passed in the 1930s. He also contends that the solution to Somalia's problems is to arm Somali mothers with AK-47s.

Such beliefs have led the NRA to campaign against restrictions on machine guns, assault weapons and armour-piercing bullets. In the process, they have lost touch with many of their members, who back

gun control in general and specifically the Brady bill.

Two trends over the past few years have weakened the advocates of gun rights. First, left-wing Democrats have begun to champion gun control as a supplement to tough anti-crime measures, rather than an alternative; they have recaptured much of the "tough on crime" high ground by backing boot camps for young delinquents, harsher sentences and stiffer restrictions on parole or *habeas corpus* appeals.

The NRA is trying to fight back with a campaign called Crime-Strike, calling for harsher measures against criminals.

Second, the NRA's insistence on combating any gun control, even that viewed as reasonable by a majority not just of the US population but of gun-owners, has driven away some former political and police supporters.

Senator Dennis DeConcini of Arizona, once voted the NRA's "legislator of the month", is backing a ban on assault weapons. Delegate Clinton Miller of the Virginia state assembly, once rated "A" by the NRA, now calls the organisation's top members "hateful, spiteful, arrogant".

This alienation is apparent among gun-owners at large. According to a Gallup poll earlier this year, 57 per cent of people who said they had a gun in their house also favoured stricter laws on the sale of firearms.

These converts to gun control, however, are a long way from believing that the answer to violent crime lies in more radical action, such as the proposal of Senator John Chafee, a Rhode Island Republican, for a complete ban on handguns.

Some Americans may move in this direction, but many more may put their faith in self-defence and buy their own weapons.

Things can be done

Hand-wringing over the James Bulger case is misplaced, says John Willman

In the UK, most newspapers and television stations have analysed in great detail the events which led to the abduction and brutal murder of the 2½-year-old. Experts have proffered their explanations. The case has led news bulletins across the world.

The search for a reason has ranged widely. Horror videos have been blamed, because of similarities between what happened to James Bulger and the events in *Child's Play 3*, a video borrowed by the father of one of the convicted boys less than a month before the murder.

Also blamed have been the

witnesses who testified at the

trial to having seen the boys

leading the abducted toddler

on his 2½-mile via dolorosa

through Liverpool streets to the

place where he was killed.

Such boys also appeared to

have escaped the authority of

their school, the other fixed

point of their lives. One child

had missed more than half the

sessions in the two months

before the murder. Both were

seen as difficult to teach.

Much more could be done to

stop truancy and ensure that

children are not allowed to

become outlaws before reaching

the age of 10. Schools

which have tackled truancy

have found that assigning

staff to chasing up absent

pupils promptly can make real

inroads into the problem. Truancy league tables - published

by the government for the first

time last week - could be used

as a lever to encourage other

schools to follow suit.

Once in school, children

from especially deprived

homes have special needs

which may require very much

greater resources than are

presently offered.

Such measures would not be

cheap - especially if the help

were to be of the quality

which most people would

aspire to offer their own chil-

dren. Keeping a child in resi-

dential care can cost from

£15,000 a year upwards -

much more in difficult cases.

Dealing effectively with spe-

cial needs may require one

teacher per pupil.

Intervention would have to

be applied with more sensitiv-

ity than has been shown in

some recent childcare cases.

The actions of social workers

in recent cases of alleged child

abuse have been unacceptable

heavy-handed and intrusive.

But that should not undermine

the basic premise of social

work: that intervention can,

literally, save lives.

Such policies offer some

prospect of breaking the down-

ward spiral of lost parental

authority, failure at school

and criminal behaviour. If

society is not prepared to pay

the cost of such measures,

then there is nothing else to

do but to bring our hands.

Not a low-cost concert

From Mr Leopold de Rothschild

Sir, I refer to your critic, David Murray's, review of the English Chamber Orchestra's concert with Sviatoslav Richter ("A high price for Richter's big sound", November 25).

Mr Murray concludes his article with a reference to "...the laid-back, low-cost but pricey Richter exhibition". I would like to point out that, taking into account Mr Richter's very high fee, even if we

had sold out (which we did not) we would still have sustained a substantial deficit. I do not think therefore, that this concert could, by any stretch of the imagination, be described as low-cost.

Leopold de Rothschild, chairman, English Chamber Orchestra and Music Society, 2 Coningsby Road, London W5 4HR

do, it is only where the principal has not performed his side of the sale transaction on time that payment may be due to the agent regardless of whether the principal has been paid.

With respect, this seems the

more logical interpretation.

The new rules are sufficiently

onerous to principals without

seeking to make them more so.

Julia Stoltz, solicitor, Dibb Lupton Broomhead,

2 Balm Green, Sheffield S1 1RZ

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LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Advertisers threatened by ITV changes

From Mr Michael Grade

Sir, The potential losers from the government's decision to relax the ownership restrictions between the ITV companies are the very people who pay for the programmes - the advertisers. ("Battle begins for future of ITV", November 25).

Viewers' interests are safeguarded by the statutory powers of the licensing authority, the Independent Television Commission, but the inevitable

concentration of ITV ownership which will ensue could, if unchecked, limit the current choice available to advertisers.

The most radical aspect of the government's 1990 Broadcasting Act was not the abolition of the ITV monopoly of airtime sales, putting Channel 4 in competition with Channel 3 in 4 (and, to a tiny extent, satellite). That freeing up of the vital, wealth-creating

television advertising market is now under threat. ITV is still the dominant force with a share of more than 70 per cent of all advertising revenue.

Against some predictions, Channel 4 has provided real competition; but our ability to compete effectively as the minnow in the pond hangs on the

COMPANIES AND FINANCE

Chief executive resigns as restructuring provisions unexpectedly soar

BM dives £116m into the red

By Peggy Hollinger

BM Group, the debt-laden engineering company, yesterday announced greater than expected restructuring provisions and write-downs leaving it with a £116.6m pre-tax loss for the year to June 30, against a profit of £24.6m.

The company also announced the resignation of its chief executive Mr Howard Sutton, one of the last remaining directors behind the acquisition strategy which burdened the group with debt of some £160m.

Mr Sutton, who was on a three-year rolling contract with a salary of £200,000, will be replaced by Mr Cliff Walker, formerly of Dunlop and BTR. Mr Sutton will remain as deputy chairman until April.

BM blamed its misfortunes on the acquisition in 1990 of Blackwood Hodge, the con-

struction equipment distributor, for £54m and a further £18m in associated borrowings. The difficulty was compounded by the subsequent purchase of Thomas Robinson, the packaging group. "These two acquisitions left BM in a dangerously weak position to face the recession," said Mr Moger Woolley, chairman.

As a result, initial estimates of a £41.6m charge to pay for the disposal programme had proved insufficient to clinch a financial restructuring. Further charges to pay for banking fees, additional closures, property losses and write-downs, and wider restructuring of remaining businesses totalled in a total hit of £119.5m.

Shareholders funds dropped from £167.5m to £60.2m. At the operating level, BM announced profits of £16.6m, against £48.1m last time, on

sales up from £519.5m to £567.3m.

Mr Walker said the group had sold some 14 businesses so far, raising about £51m.

BM was also in advanced talks over a further six disposals, including the Blackwood Hodge business in Canada, which were expected to raise about £40m and eliminate roughly £24m in associated debt.

BM's debt, reported as £114m at the year end, had been reduced further to £86m.

By the end of the disposal programme BM would comprise engineering businesses with turnover in 1993 of £154m and profits of £11.7m.

Losses per share were 109.1p, against earnings of 25p. There is no final dividend, leaving the interim of 0.5p for the year.

The preference dividend is postponed.

COMMENT

These grim figures were wholly unexpected, but surprisingly, not unwelcome. There would appear to be little left to sweep out of the stable. For the first time in more than a year, BM appears to be confident it is over the worst.

Warnings of a £30m provision, due to the almost academic write-off of goodwill on disposals, mean that the company is set for a sizeable loss this year. However, at the operating level analysts are looking for anything from break-even to a relatively small deficit of £1m from continuing businesses after interest. In the short term, the shares still appear highly speculative.

Much hinges on BM actually achieving those six disposals, particularly in Canada. After that, the downside compared to 1993's results is pretty limited.

Argyll may start to depreciate assets

By Neil Buckley

Retail analysts believe Argyll, owner of Safeway, one of the leaders of the Queens Mall Houses shareholders' action group, yesterday went to the High Court with a petition under S468 of the Companies Act.

It asserted that the company's affairs had been or were being conducted in a manner unfairly prejudicial to shareholders' interests. The court set hearing date of January 11.

Mr Woodhams' critics have centred on the substantial difference between two valuations of the group's properties. He said he had asked the company for details of the valuations but had been denied the information requested. The action group has called for the valuations to be made available to shareholders at the company's head office.

QMH faces action over property valuations

By Maggie Urry and Peggy Hollinger

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Mr Woodhams' move comes ahead of the group's annual meeting on Monday, at which some shareholders are expected to vote against adopting the annual report. Mr Woodhams claimed the shareholders' action group now represented 28m shares, 3. per cent of the total issue.

Mr John Baird, former chairman of QMHS, who holds less than 1. per cent of the equity, is also expected to vote against.

The company used the lower figure of 28.5m from valuer Jones Lang Wootton, in its 1992 accounts. Advisers to QMHS pointed out that the group's auditors had not qualified the accounts in respect of the 1992 valuation.

Another valuation is to be carried out, as at December 31 this year, probably by Jones Lang Wootton again. Property experts think this could show a rise in UK hotel values, but a further fall in those of the continental European hotels.

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Bourne End purchases and rights

By David Blackwell

Bourne End Properties is effectively trebling in size through two acquisitions and a rights issue.

The 60 per cent stake held by Mr Leo Noe, chief executive, through his company Vasella, will fall to 36 per cent after the deal.

The shares were suspended at 37p pending an announcement on the deal in October, when the group announced reduced losses of £145,000 (554,000) for the six months to end-June.

There are three elements to the deal, which will leave the group with gross assets of £125m and net assets of £35m.

• Bourne will acquire from Mr Noe property independently valued at £44m and with debts totalling £33.4m. It will pay £500,000 in cash and issue 13.9m shares at a nominal price of 70p a piece.

• Bourne will acquire from Dawney Day property independently valued at £26.1m and with debts totalling £28.5m. It will pay £1.95m in cash and an issue of 5.8m ordinary shares, also at a nominal 70p.

• It will make a 3-for-1 rights issue at 65p a share, fully underwritten by Credit Lyonnais, to raise approximately £16.8m before expenses.

Mr Noe is not taking up his rights; Credit Lyonnais will place the entitlement of 15.9m shares.

Air Europe supervisors may seek compensation from BA

By Andrew Jack

Supervisors to Air Europe, the leisure group that crashed in March 1991, are considering seeking possible compensation from British Airways in connection with the collapse of the Virgin case.

The details emerged on the day that unsecured creditors to Air Europe received a dividend of 5.35p in the pound in settlement to provide a speedy end to the claims.

It emerged at the time of the £610,000 High Court settlement of BA with Virgin Atlantic in January in connection with anti-competitive "dirty tricks" that Air Europe had been operating with Virgin.

Mr Phil Wallace, one of the

supervisors from accountants KPMG Peat Marwick, said yesterday: "We have watched the proceedings with interest. We are still investigating the relationship between BA and Air Europe given what came out of the Virgin case." He said money had been allocated to fund an investigation. "I am persuaded that we should continue. It is conceivable that something could come out there."

BA last night rejected any suggestion that there was a case to answer. "The reasons for Air Europe's downfall are well documented and are nothing to do with any contact with British Airways. We continue to offer assistance to the administrators as sought."

Multitone Electronics falls sharply to £40,000 at midway

By Paul Taylor

Multitone Electronics, the paging equipment manufacturer which is the subject of a £21.5m recommended bid by Champion Technology, the Hong Kong-based telephony group, yesterday reported sharply lower interim profits.

The group warned last month that it expected to report a small pre-tax loss in

the first half because a new distribution agreement had taken longer to come into full effect and there had been a delay in the introduction of an important new product.

In the event the group said turnover was better than expected in October, generating pre-tax profits of £40,000 in the 26 weeks to October 31, down from £275,000 last time. Turnover was flat at £12.2m.

The first half because a new distribution agreement had taken longer to come into full effect and there had been a delay in the introduction of an important new product.

Although turnover improved some 8 per cent to £27.4m – reflecting the inclusion of BMK for the full half year against just four months last year. Based on 4 per cent per annum depreciation, James Capel says suggested earnings would fall by up to 12 per cent at Tesco, and 3 per cent at Sainsbury.

Mr Wallace said the largest creditors could ultimately receive a dividend of between 4p and 5.35p, depending on the outcome of "half a dozen" disputes. The figure for all creditors would be further boosted by any recoveries from BA.

Mr Wallace said the payment was likely to be in final settlement to most creditors. It was approved by the largest 11 creditors to Air Europe – those owed over £5m each – who have agreed to accept a lower interim dividend of 4p in the pound. In exchange, the supervisors will incur lower costs in communicating with the remaining 7,000 creditors, who would otherwise have had to wait longer for the settlement of disputed claims of over £5m.

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Mr Wallace

COMPANIES AND FINANCE



One of the company's forecourts: Swithland's unsuccessful flotation valued the group at £21m. The sponsors, Ionian Corporate Finance, said they were 'shocked' by the receiver's appointment

Swithland in receivership as debts total £17m

By Catherine Milton

Swithland Group, the new and used car dealership, has shocked the City by going into receivership with debts of about £17m less than two weeks since it failed to float on the Stock Exchange.

Directors of the Leicester-based company had forecast in the prospectus pre-tax profits of £1.9m shortly before the October 31 year-end. The last audited accounts available, provided up to June 30 this year, were unaudited by Coopers & Lybrand.

Shares were priced at 81p each and had the float gone ahead the company would have been valued at about £21m. The placing, sponsored by Ionian Corporate Finance and not underwritten, attracted some adverse press comment. Ionian, a small City firm, said: "We were shocked when we were informed that receivers had been appointed."

The receivers are offering all 16 sites for sale.

City concern about Swithland, where the first 50 of 230 employees have been made redundant, appeared to increase following reports about its brushes with the Office of Fair Trading on questions of consumer credit regulation and other matters.

But institutions were also said to have been worried by net cash outflows before financing in 1990, 1992 and the eight months to June 30 as well as increase in debts. The pre-financing net cash outflow of £3.16m is recorded for the eight months ended June 30.

The issue lapsed when brokers to the placing, Harris Allday Lea & Brooks, were unable to place an agreed minimum of 45 per cent of 18.5m shares, or 87 per cent of the 26.4m total share capital, by November 12.

The receiver, Mr Myles Hallay, an accountant with KPMG in Leicester, said he had been appointed on Thursday after

noon with the agreement of all its financial backers which include Lloyds Bank, County NatWest and the Bank of Wales.

He said: "Following on so soon from a possible flotation, a company going into receivership means secured and unsecured creditors will require a full investigation to be completed on how the company ended up in receivership in such a short period of time."

He added that the company had been "very highly geared" and that following the failure to float, creditors had experienced a "major loss of confidence" and increased pressure on the company.

He said it was difficult to assess the precise extent of the company's liabilities accurately but these were roughly £17m. In the prospectus net secured debt was put at £12m on September 24.

The receivers are offering all 16 sites for sale.

Marked expansion at Perpetual

By Graham Deller

Shares of Perpetual yesterday jumped 49p to 780p after the UK authorised and Jersey-based offshore unit trust group reported sharply higher profits and hoisted its dividend.

Mr Martyn Arbil, chairman of the Henley-based group, said the profits rise - from £4.75m to £14.7m pre-tax - emanated from improved stock market sentiment and lower interest rates which stimulated demand for unit trusts.

The performance in the 12 months to September 30 was achieved on turnover ahead from £245.6m to £242m.

Mr Arbil said the group enjoyed a "significant increase" in its share of an expanded market.

Net new investments amounted to £750m and this, coupled with rising stock markets and a strong investment showing, helped funds under management jump from £245m to £203m.

Reflecting the buoyant outcome, the proposed final dividend goes up from 3.6p to 13.2p, bringing the total for the year to 15p, against 4.8p.

Badgerline shares end day unchanged

Shares in Badgerline, the Avon-based bus company, saw modest turnover of 2.5m shares on its first day of trading yesterday and closed unchanged on the day at 115p, after fluctuating between 112p and 117p.

The flotation price valued the group at £93.3m.

Lazard Brothers, Badgerline's merchant bank, placed 23.4m shares with institutions and other investors. The offer of a further 14.2m shares to the public had been 1.7 times subscribed.

OMI International stages recovery with £237,000

By Catherine Milton

OMI International, the electro-hydraulics, logistics and electro-optic company, returned to pre-tax profits with £237,000 in the six months to September 30, against losses of £2.6m in the comparable period.

Turnover fell to £17.8m (£20.3m). Forward Industries, acquired five months ago, contributed sales of £3m but the figures lacked last time's £2.75m contribution from some design businesses which had been sold.

"I do not anticipate any real change in trading conditions over the second half of this financial year," said Mr G.H. Williams, chairman.

The board declared a maintained interim dividend of 0.75p, uncovered by earnings per share of 0.5p (6.1p losses), on the back of results slightly ahead of expectations and as a measure of "quiet optimism" about prospects.

On Demand Info gets £39.8m tag

By Catherine Milton

A price of 28p was yesterday fixed for the flotation of On Demand Information valuing the electronic publishing company at £39.8m.

ODI delivers a range of information such as directories, manuals, magazines and brochures via a computer terminal instead of the printed form.

The company, which has been the subject of some adverse press comment, was started five years ago as a division of Poulter Communications, a large media communications group, the bulk of which is remaining in private control.

No existing shareholders have sold in the placing and directors and their families have retained a 48.2 per cent stake. Mr Graham Poulter, ODI's chairman and founder of Poulter Communications, holding 40 per cent with his family trusts. Existing shareholders have undertaken not to sell their stock for two years.

Albert Sharp, its broker, has placed with institutions 12.75m shares, 25 per cent of the expanded capital. The flotation will raise £9.15m, net of expenses, for the company.

The prospectus, printed in Bradford, was delayed by poor traffic conditions due to fog which meant no balance sheet figures were available at time of going to print. No profits

forecast has been made.

Analysts said the figures available suggested the company would continue to make losses for at least 18 months. It incurred operating losses of £203,000 (£113,000) in the year to July 31.

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Learmonth shares tumble on setback

By Alan Cane

Shares in Learmonth & Burchett Management Systems, a USM-listed computing services company, lost more than a quarter of their value yesterday after interim profits sharply below expectations.

Pre-tax profits were £201,000, 73 per cent lower than last time's £763,000. The shares fell 50p to close at 185p.

Turnover increased by 22 per cent to £13.1m (£10.7m) and earnings per share amounted to 13.2p.

Mr Burchett said he expected significant improvement in the second half of the year and that profits for the whole year would be broadly similar to last year's £1.8m.

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Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange. Settlement, where not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with relevant date.

Relief (3332) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

† Bargains done the previous day.

British Funds, etc

Treasury 13 1/2% Stk 2000/03 - C17313

Exchequer 16 1/2% Stk 2005 - C2000014

Corporation and County Stocks

Birmingham District Council 11 1/2% Red Stk 2012 - C121 (22605)

Nottinghamshire 12 1/2% Red Stk 2007 - C123 (23043)

Manchester City 11 1/2% Red Stk 2007 - C122 (22604)

Mersey Docks 10 1/2% Red Stk 1946† - C127 (21405)

Newcastle-upon-Tyne City 11 1/2% Red Stk 2017 - C130 (21406)

Nottingham Corp 9 1/2% Red Stk - C26 (23043)

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TSB Trust Funds - Contd.

TSB Fund Ltd

MARKETS

London

The opium of the chattering classes

By Bernard Gray

Ever since Kenneth Clarke was pushed into the centre stage in The Times, an everyday story of Westminster folk, traders in the equity market have been confidently expecting an interest rate cut. Playing the part of a soft-hearted-but-plain-speaking Midlander's son of soil, the chancellor seemed certain to boost the soap opera's flagging ratings with some well-timed relief for hard-pressed homeowners and grim-faced industrialists. Yet the summer came and went, the party conference season passed. Equity-watchers never lost faith that Clarke would eventually remember his lines.

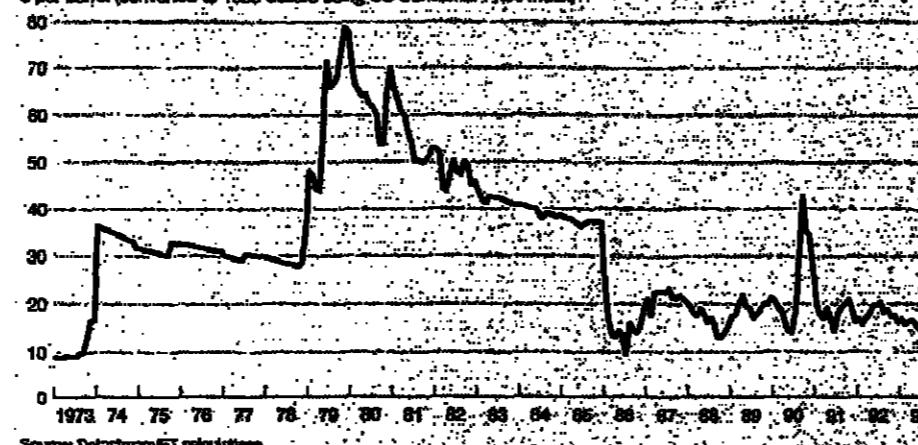
On Tuesday the market finally got what it wanted, with a half-point cut in base rates to 5% per cent, though the suspense had rather been spoilt by the long wait. As a result the FT-SE 100 index actually fell by 1.3 points on the day and only rose by 3.4 points through the week to finish at 3111.4. The muted response perhaps reflected

fears that the interest rate cut was only part of the story. Would the sequel - "Budget II - the next generation" prove a real tear-jerker?

Opinions were divided. Atsute TV addicts pointed out that in conventional plots the happy ending follows the sad scene, and that the rate cut was authorised because the inflation outlook was good. And since the fall was only half a percentage point, the budget might well prove to less savage than feared. By the end of the week the market consensus was that perhaps only £2bn-£3bn of extra taxes would be raised. That encouraged hopes that the pattern of recent budgets, where equities rose in anticipation of the speech and fell in response, might be reversed.

Elsewhere in the television jungle there was plenty of chatter. On Wednesday Peter Brooke, the heritage secretary, finally agreed to allow ITV companies to own two franchises, intensifying the speculation about who was

The slippery real price of oil.
\$ per barrel converted to 1983 dollars using US Commodity Price Index.



HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1993 High	1993 Low
FT-SE 100 Index	3111.4	+3.4	3189.0	2737.6
AIM Group	138	-37	185	123
Allied-Lyons	596	+22	646	517
Anglia Television	448	+19	450	194
BPI Index	279	+16	2811.4	180
BT	461.1	-8	478.4	376
Euro Disney	350	-65	1180	268
Hazlewood Foods	141	-20	203	139
ICI	722	+36	740.6	608
Kwik Save	568	-18	853	585
Lasmo	117	-18	195	116
Royal Bank Scotland	364	+14	386	207
Tate & Lyle	404	+14	439	355
Thorn EMI	923	-24	1017	809
Yorks-Tyne Tees TV	176	-35	234	110

AT A GLANCE

Unit trusts celebrate record October sales

The unit trust industry had its best October on record last month, with net sales reaching £845.9m, up from £668.6m in September. Net sales to retail investors were £575m, up from £411m in September, according to the Association of Unit Trusts and Investment Funds (Autfi). So for this year, net unit trust sales have been £7.8bn, compared with building society net receipts of £2.7bn over the same period.

Co-operative Bank cards plan

The Co-operative Bank has simplified and reduced the interest rates charged on its Robert Owen card, and affinity cards issued by the RSPB, Help the Aged, Amnesty International, the Labour Party, and the Liberal Democrats. From January 1 1994, there will be a single rate of 1.7 per cent a month (22.42 APR), down from the present rates of 1.85 per cent for direct debit payments and 2.35 per cent otherwise. The original structure involved three tiers relating to the amount spent on the card each month, but this was found to be too confusing.

Nationwide's new bond

Nationwide's new escalating three-year Fixed Growth Bond will pay 5.5 per cent gross in the first six months, rising to 7.5 per cent in the last six months. The bond closing the account in year 2 and 3 will lose 180 days' interest.

Britannia's Guaranteed Reversion bond pays a variable rate which changes by half a percentage point with every half point change in bank base rates. Base rates at 6.5 per cent attract interest at 6 per cent gross. The maximum interest rate is 7.5 per cent gross (base rates at 4 per cent) and the minimum is 5.5 per cent gross (base rates at 6.5 per cent).

The bond matures on October 1 1994.

The minimum investment in both building society bonds is £5,000. Portman is paying a fixed rate of 6.5 per cent gross for six months (or 6 per cent for one year) on a minimum deposit of £500. It will withdraw the bond on Tuesday.

Cheaper weekend phone calls

BT and Mercury are slashing their long-distance weekend and prices from next Saturday. A 3-minute BT call to anywhere in the country will cost 10p; a Mercury 3-minute call will cost 8p. Mercury is offering further reductions for week-ends in December and January.

Across about half of the country (including London), BT users without a Mercury "blue button" phone can become Mercury subscribers within a few days by means of a "132" connection.

Once registered, subscribers access Mercury's long-distance and international network by prefixing their calls with the digits "132".

Mercury charges an annual fee of £10.

Guide to council tax

The Child Poverty Action group has published a guide to the council tax, covering all aspects of the tax and its application, including how properties are valued and assigned to bands, who is liable to pay the tax, and how payment can be enforced, discounts.

It also explains who is eligible for council tax benefit, and the various ways to reduce your tax bill through discounts, disability reductions and transitional relief. The Council Tax Handbook is available from CPAG, 1-5 Bath Street, London EC1V 8PY, for £7.95 including post and packaging.

Insurer buys Denplan

PPP, the UK's second largest medical insurer, yesterday announced that it had bought Denplan, the largest private dental healthcare business. More than 25 per cent of dentists are members of Denplan, and 400,000 patients are registered. PPP provides private medical cover for nearly 2m people. The new relationship will have an immediate effect on subscribers of either Denplan or PPP, but cross-marketing and joint projects between the two are likely in future.

Smaller companies fall again

Small company shares slipped again this week. The Hoare Govett Smaller Companies Index fell 0.8 per cent from 1582.02 to 1567.43 over the seven days to November 25.

Serious Money

Don't be rushed by Budget hype

By Philip Coggan, personal finance editor

The timing of this week's base rate cut is a salutary reminder that chancellors (and governors of the Bank of England) like to surprise us. Everyone was expecting the cut to be announced on Tuesday as a counterpoint to tax increases in the Budget.

Still, it was not all gloom in the energy business. Half year figures from PowerGen and Scottish Power proved that privatisation is good for the energy industry. The price of oil has risen since the Budget, and oil companies are taking advantage of the cheaper oil deal negotiated by the English government to cut its own bill from British Coal.

The threat of referral to the Monopolies and Mergers Commission still hangs over the English companies. That will probably curb the market's enthusiasm over the next few weeks but, in spite of the share price rise since flotation, many think the electricity companies still look attractive.

Undoubtedly the star of the week was Peter Wood, the founder of Direct Line insurance, who has taken the motor insurance industry by storm since 1986. Under his profit-linked pay package he received a bonus of £18m. He also took a £24m payment to buy out his contract which had come to embarrass both Wood and Royal Bank of Scotland, the owner of Direct Line.

Now the reluctant hero is to buy some Royal Bank shares and fund managers concluded that if they were good enough for him, they were good enough for them too. The shares rose 14p to 384p. Wood, apparently, a workaholic, which brings to mind J P Getty's recipe for success: get up early, work hard, and strike oil. These days it seems insurance, rather than oil, is the place to be.

ing the 20 per cent band. If he widened the band enough, he could declare it to be the basic rate of tax, thereby meeting a long-standing Conservative tax-cutting pledge while raising taxes at the same time.

If such a change does occur, then the various tax-free schemes (Peps, Tessas etc) will become more important for top-rate taxpayers. But investors will have until April to make their decisions.

Regular readers will know I am a fan of indexed funds, so it is good to see the launch of a new indexed investment trust. The Fairhaven European Smaller Companies Index trust has the added advantage of opening up a new area for indexing; to date, most funds have been either UK-based or devoted to major overseas indices such as the Standard & Poor's 500.

All this should emphasise the dangers of rushing out and making investment decisions on the basis of expected Budget measures. One possibility is that tax relief on personal pensions could be limited to 20 per cent. This has a certain logic, in that the government has reduced other reliefs (such as those on mortgage interest) to the 20 per cent level.

It might, thus, seem sensible for higher-rate taxpayers to make some quick single premium payments into personal pension schemes. But implementing the proposal would run counter to the government's obvious desire to encourage a greater shift away from state pension provision. And even if Clarke did make such a shift, it might well not come into force until the start of the next tax year. Investors would then have plenty of time to consider the pros and cons of a pension contribution in the light of hard news rather than rumour.

It seems highly plausible (although I confess the chancellor has not confided his plans to me) that the thrust of any Budget change will involve the personal tax allowance (£3,445 this year). Tax relief on the allowance will be limited to 20 per cent (a measure which will cost a higher-rate taxpayer £689 a year), but small company shares are followed much less and the market is much less efficient so, accordingly, the active

managers ought to have more scope to outperform. The managers contend, however, that if there is an opportunity for profit, why take the risk that an active manager will underperform the index? It is true that the Fairhaven trust is also likely to underperform the index's total return; in view of dealing costs and the managers' 0.7 per cent annual fee. But the charges will be taken from income and the end result should be fairly close to the capital growth of the index.

The minimum investment is £2,000 and the trust is PEP-qualified.

The European smaller companies offer is dwarfed by a rival issue, the Mercury World Mining Trust. This has already raised a staggering £200m from institutions, making it the largest investment trust issue ever.

It is tempting to believe that, when managers can raise £200m for a commodity trust, it is the sign of a bull market gone mad. In fact, apart from gold, base metals prices are severely depressed, having fallen 42 per cent since 1989. Some of those investing in the trust will be "gold bugs" backing manager Julian Baring; others will be taking the view that metals prices have been down for so long that the only way forward is up. Contrarianism seems, paradoxically, to get ever more popular.

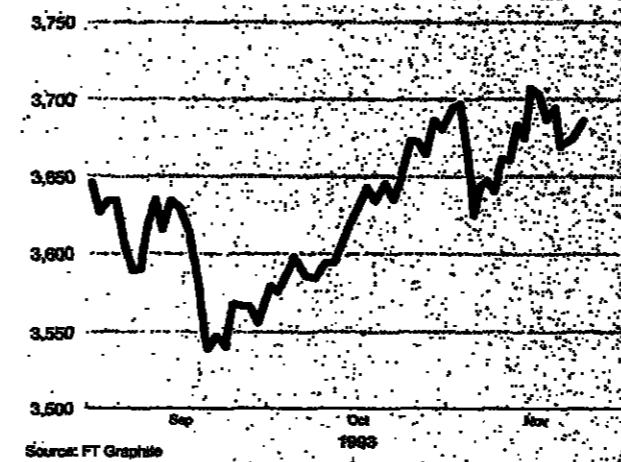
But some commentators believe we have entered a long deflationary phase in which competition from emerging markets will exert a continual downward pressure on prices.

If their view is right, then the correct investment is not commodities but a heavy weighting in bonds, with the main equity exposure in emerging markets. Only if you believe that world inflation will return with a vengeance, does a mining trust make sense, and even then index-linked gifts are probably a more sensible option.

Wall Street

Wielding the knife at Thanksgiving

Dow Jones Industrial Average



None of this will be much comfort to the employees of both companies. Neither provided details on where the cuts would be made, which will have ruined Thanksgiving for the many thousands of workers who could lose their jobs in the restructuring.

For millions of equity investors, however, Thanksgiving was not as distressing as it might have been, for after a

shaky start, the stock markets weathered what could have been a difficult week relatively well.

At one point on Monday, conditions were perilous. Bond prices had dropped sharply as investors in fixed-income securities continued to sell government securities amid new evidence of resurgent economic growth. The subsequent rise in bond yields to their highest

levels since midsummer, and some heavy losses in overseas equity markets spooked investors in the stock markets, who drove the Dow down more than 40 points at one stage.

At that moment, the gloomy prediction of some analysts that rising bond yields would spark a sharp downward correction in share prices looked as if it would be fulfilled. But the declines in bond prices on Monday did not carry through to the rest of the week, and an unexpected strong bond market rally ensured that stocks stayed mostly in positive territory. The Dow Jones Industrial Average bounced back with modest advances on the next two days, and were holding their own at mid-morning yesterday. Trading was quiet because the stock markets were closed on Thursday and shut down early on Friday, but the mood among investors was generally upbeat.

The recovery in bonds, which lowered long-term interest rates, as measured by the yield on the benchmark 30-year bond, from 6.36 per cent to 6.26 per cent, was not the result of a fundamental

change in bond market sentiment. After all, there was nothing this week to ease fixed-income investors' concerns that interest rates are now on a steady upward path.

Instead, bond prices rebounded on mostly technical considerations - the lack of fresh selling on Tuesday surprised dealers and investors who had sold bonds short in anticipation of further losses, and they were forced to buy bonds to cover their short positions. A decline in commodity and oil prices, the latter sparked by OPEC's failure to agree on production cuts, also supported bond prices.

Even if it was technically driven, the bond market's rally helped assuage fears among equity investors that rapidly rising Treasury yields might bring the long bull market in stocks to a halt. For that, at least, Wall Street could give thanks.

Patrick Harverson

Monday 3670.25 - 23.76
Tuesday 3674.17 + 03.93
Wednesday 3687.58 + 13.41
Thursday 3694.00 Closed
Friday 3694.00

The Bottom Line

Thorn likes pumpkin in its pie



Sir Colin Southgate, chairman of Thorn EMI

from a high of 1,009p at the end of August, to 885p last Wednesday, the day after the results were announced, before recovering to 929p yesterday.

Thorn has two problems. The first is that its rental division

value of the business rising, however. It lost £14.7m in the first half, compared with £1.1m last time. Lord Weinstock, GEC's managing director, has a habit of bidding his time. He often wins his prize, usually paying a price considerably lower than the number first thought of.

If Thorn does get rid of its defence business, thoughts will turn to a merger, or the prospect of a buyer for the music division. Much attention is being focused on multi-media, or the idea that we will watch a group play on our screens, while our speakers pump out compact disc quality sound and our printers spew out copies of the lyrics. A computer or cable television or telecommunications company could buy Thorn for its collection of music copyrights.

This sort of thing has been talked about for years, without amounting to much. It might be different this time, but the multi-media business is as full of unfulfilled desires as a whole stage of Smashing Pumpkins.

Michael Skapinker

CHristmas

A guide for wide-eyed graduates

So you're a 1993 graduate, starting your first job this autumn. You might have been impressed initially by monthly pay cheques as big as the grant cheque you got each term.

By now, however, you probably have realised that the more you earn, the faster money tends to disappear. Food, rent, council tax, transport, clothes for work and an active social life can leave very little in the bank at the end of the month. So, this could be a good time to sit down, examine your financial situation closely and work out your priorities.

The first task for many new graduates will be repaying the debts accumulated during their studies. The average 1993 graduate left college owing almost £1,300, according to a survey this year by Barclays bank. "Interest rates are low at the moment but, if someone is going to organise their finances properly, debt repayment must be a priority," says Mark Bolland, of London-based financial adviser Chamberlain De Broe.

A growing proportion of student debt arises from official student loans. But these have a very low interest rate and repayments do not start until the April after graduation, so they are not such an immediate worry; in any case, graduates earning less than 85 per cent of average earnings (about £1,165 gross a month) can delay repayment.

Bank overdrafts and loans, however, usually carry much higher interest rates and should be paid off as soon as possible. Running an overdraft can also lead to hefty bank charges, while credit card debts are an even more expensive type of borrowing.

A number of banks offer graduate loan schemes, intended to cover the expenses incurred in setting up home and starting work. Some also are marketed as a way to consolidate student debts with regular repayments.

This idea should be treated with caution, though: borrowing more to pay off existing debts is usually an easy way to end up in even deeper trouble. But if you have large debts at high rates which you have no hope of clearing in the short



term, it could be worth looking at one of the special graduate loans – providing the rate is lower and there is no arrangement fee.

This could also be the time to look at what your bank is offering in terms of general service. The bank offering the most attractive deal to first-year students is not necessarily the best once you are in work.

Most of the big high street banks offer graduate packages for six to 18 months after finishing university. These usually involve free banking and preferential loan and overdraft rates and most are open to all new graduates, not just existing customers.

Once you have your debts and day-to-day finances under control, you can start thinking about planning for the future. Are you keen to settle down and buy your own flat, or are you waiting only for the results of your final accountancy exams before taking off round the world for a few months?

In either case, regular saving

is a good habit to acquire while you are young and without dependants. But maintain a healthy scepticism towards people who say they have the ideal savings vehicle for you.

Remain especially alert when confronted by members of the financial services industry; once you are earning

important consideration for very young people," says Bolland. He recommends investment trust savings schemes as a sensible way of building up some capital.

Investment trusts are companies which buy shares; investors purchase shares in the trust as a way of gaining exposure to a spread of equities. Savings schemes allow you to buy small quantities of shares on a regular basis, with as little as £20 a month. Bolland also mentions National Savings and the save-as-you-earn share option schemes offered by some employers, as worth considering.

As for housing, Bolland says: "Right now is probably a good time for young people to buy their own flats. It all depends on earnings but, in many areas, servicing a mortgage is cheaper than renting. I would suggest that this is a more practical use of money for someone at this stage of their life than engaging in long-term savings."

Accumulating some savings before taking on a mortgage is

time-scale of such plans makes them unsuitable."

Instead, he recommends looking at a range of more flexible products. These range from low-risk tax-exempt special savings accounts (Tessas) and National Savings products such as the yearly plan and the investment account, to equity investments using a tax-free personal equity plan (Pep). You can save as little as £20 a month with all these schemes. "Flexibility must be an

a good idea, however. Not only will this help with legal costs and so on but, if you can put down a deposit of around 25 per cent of the value of the property, you could avoid paying expensive mortgage indemnity premiums – and reduce the hazard of getting caught in a negative equity trap if property prices fall.

Retirement seems a long way off when you have just started work but people will tell you that, now you are working, you should think about a pension. "The financial services industry would have everyone believe that the younger you start saving for a pension, the better," says Bolland. But he is sceptical.

If your employer has an occupational pension scheme, Bolland says it will probably be worth joining, depending on a number of factors – most importantly, how long you expect to stay in the job.

Personal pensions, sold by life assurance companies, are less likely to be worthwhile at this early stage in your career because early payments are eaten up by commissions and charges and your personal and work circumstances are likely to change.

"If the person really is in a position to put some money away for retirement, then single variable rate by a quarter of a percentage point to 7.74 per cent. Existing borrowers at N&P will have to wait until after the Budget before being told when the new rate applies, while those at Nationwide and NatWest will get the change from January 1.

Harris agrees. "At this age, it is difficult to see how single individuals would have a need for life assurance or sophisticated pension arrangements.

"It would be far more beneficial to think of channelling available resources into savings, which are flexible and may be used at a future date in purchasing property."

Bolland's advice is unequivocal: "I think the main point that people should bear in mind is that there are going to be a lot of people trying to sell them things, and that great care is needed to avoid making investments on spurious grounds. Keeping one's options open at all times is sensible."

Rate changes await Budget

for those borrowing up to 95 per cent. Nationwide will pay such borrowers £250 on completion of the mortgage.

Others to have cut their mortgage rates include the Newcastle building society, which has reduced by 0.24 of a point to 7.75 per cent, and Northern Rock, down by 0.34 to 7.65 per cent.

Royal Bank of Scotland has passed on the full 0.5 point reduction, taking its rate down to 7.49 per cent, while two centralised lenders, Bank of Ireland and Citibank, are reducing their rates to 7.6 per cent. Existing customers will benefit from December 1 at Bank of Ireland, and from January 1 at Citibank.

Centralised lenders are, theoretically, in a good position to lower their rates since, like the banks, they can get funding from the money markets. "They have the opportunity to be competitive, but since most new business is being done on fixed and discounted mortgages, they may decide to use their additional margins there," says Ian Darby, of mortgage broker John Charcol.

John Wriglesworth, building society analyst at UBS, is surprised that the societies are cutting their mortgage rates by as much as they have because of the pressure on savings rates. He says: "Societies have to offer relatively high savings rates because of pressure for retail funds from the stock market and the government. If they cut mortgage rates by an average of 0.25 of a point, I think savers' rates will come down by about 0.3 of a point."

The large societies are not revealing their hand until chancellor Kenneth Clarke reveals his in the Budget on Tuesday, but some banks have announced reductions in savers' rates already. NatWest has pruned 0.23 of a percentage point off most of its rates while Barclays has reduced by about 0.25 of a point.

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FINANCE AND THE FAMILY

New look for tables

Readers of the Weekend FT will notice that the format and content of many statistical tables have been changed substantially. The changes were introduced first in Tuesday's edition.

The aim has been to bring the tables up to date, in tune with the needs of readers. The most obvious difference is that the tables have been given a consistent type face.

Equities. The London share service pages, which have been revamped in recent years, are largely unaffected by the changes. UK investors will note, however, that we have pulled together a number of statistics under the heading "Key indicators" (see inset for example; today's table appears on page 15 in the first section).

From Tuesday to Friday, the best performing sectors appear as in the inset; on Saturdays, a full list of Leaders and Laggards appears elsewhere on the

page, moved from its old position (just before the London share service pages) to that page, which can be found today on page 12 of the first section.

The only alteration to the format of the information provided is that details of the income and redemption yield are now shown on the left hand side, rather than on the right as before.

● Currencies. Because of the space created by moving some of the futures information to other pages, it has been possible to expand our coverage of currencies substantially. The two separate articles on currencies and money markets, have been combined in a single report.

The currency tables have been expanded to include a greater range of countries. The mid-rate is now shown explicitly, rather than being left for the reader to calculate.

The table of cross-rates has

also been expanded. All these statistics appear on page 13 in today's first section.

● Derivatives. The general rule is that tables which focus on derivatives will appear on the same page as statistics on the underlying markets. Thus, equity index futures and options will now be found on the World and London stock markets pages.

All futures and options contracts will be shown in the same format and will be grouped together by product, rather than by the exchange on which they are traded.

It is always disconcerting to find that statistics which are used regularly by readers have changed, or have been moved to a different position in the paper. But we believe the new structure is a considerable improvement and that readers will find the statistics even more useful than before.

Philip Coggan

The Week Ahead

Hanson may have some good news on the US coal strike when it reports annual profits on Thursday. The strike cost Hanson \$28m in the third quarter and it predicted it would cost \$30m to \$30m in the fourth, to the end of September.

Investors are keen to see a settlement, the only question is what the coal producers will have had to give to the miners to achieve that.

The market is also hoping for a dividend increase, although forecasts are for a fall in pre-tax profits from \$1.29bn (F1.25bn) in 1992 to \$1.05bn-\$1.07bn, and around \$60m less excluding disposal profits against £1.05bn. Either way earnings per share will be significantly lower.

Hanson pays its dividends quarterly, and has paid 2.85p for each of the last four payments. Some feel an increase is due, perhaps to 3p a quarter, while others think a rise will not be forthcoming.

The City is anticipating a steady and unspectacular set of figures from GEC, which reports its first six months on Wednesday. The expectation is that the second half of the year will be significantly stronger when a number of large contracts are due for implementation.

Profits before tax are expected to be in the region of £250m-£300m, roughly level with or perhaps slightly down on the £265m recorded in the same period last year.

Earnings per share are expected to be about 3.1p, compared with 3p and a five per cent increase in the interim dividend to 2.61p is forecast.

Bass, the UK brewing, hotels and retail group, is expected to report on Wednesday a 5 per cent increase in full year

pre-tax profits from £473m to about £495m.

Brewing profits are likely to be hit by margin pressures and bad debt provisions, and pub retailing will feel the effects of disposals.

Improvements should come from Holiday Inn in the US and UK leisure operations.

A 21.75m restructuring charge will reduce Grand Metropolitan's pre-tax profits for the year to about £27.7m, 16 per cent down on last year's £31.9m.

Thursday's announcement is expected to reveal a brighter picture at the trading level. IDV, the spirits sector, should achieve double digit profits growth with some help from currency translation. Another good performance is forecast for Burger King and North American food operations will show some recovery.

Higher losses and £50m to £80m of restructuring costs at the Racal-Rodac software subsidiary and other special factors are expected to result in markedly lower pre-tax profits at Racal Electronics, the data communications, radio and network services group, which reports its interim on Thursday.

Pre-tax profit estimates range from about £12m to £18m against £23m at the interim stage last year. "Normalised" pre-tax profits are likely to be around £21.7m.

MEPC, the UK's second largest property company, is expected to announce on Thursday pre-tax profits for the year to end September of around £350m, down on the previous £319m. Net asset value is estimated to emerge at 440p, down from 465p last time. However, the dividend is expected at least to meet the company's June forecast of 14.75p.

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FINANCE AND THE FAMILY

How a lender plumbed the depths

Alison Smith reads the banking ombudsman's latest report and finds some sobering stories

A self-employed plumber, whose bank sold him a loan protection policy without telling him there were restrictions on unemployment cover for people in his category, won almost £700 in compensation after his case was taken up by the ombudsman.

In another case, a grandmother opened savings accounts for two boys but they did not get the preferential interest rate advertised. Each account received an extra 25p in interest after the ombudsman intervened.

Publication this week of the annual report from Laurence Shurman, the industry's consumer watchdog, has highlighted the continuing level of complaints against banks, although the increase was not nearly as steep as last year.

Shurman stressed higher standards of conduct were still needed from both banks and customers. He said banks should show more sensitivity,

even when they were entirely in the right, and debt counselling should be available more widely.

Shurman urged that those entering the industry should receive specific lessons in banking ethics as part of the training offered by the Chartered Institute of Banking. He also recommended that the revision of the code of banking practice should reflect a European directive on unfair terms in consumer contracts which is due to come into effect in 1995.

The report showed that preliminary complaints rose to 10,281 in the year to the end of September 1993 - a very slight increase on the previous year. But complaints accepted for full investigation rose more sharply - by 16 per cent - to 1,111.

Consumer and customer groups were disappointed that complaints had not fallen despite the introduction of improvements such as the banking practice code. Just

under 40 banks are covered by this scheme, under which personal customers and small companies can complain about maladministration involving sums with a maximum of £100,000.

In just over one-third of the cases investigated fully during 1992-93, the ombudsman found for the customer. Most awards were between £100 and

£10,000, but there were some striking extremes...

The highest, of £51,700, went to a case involving a property development project where a small company had its overdraft facility withdrawn after it had committed itself. The lowest, of £5, came after a claim for £9,000 was investigated: the complainant was entitled to 45p, which was rounded up to take account of interest.

One area where complaints are growing concerns how banks deal with mortgages. Shurman said customers should get clearer information about the exact scope of mortgage protection policies since banks "are not always as keen as they should be to explain the limitations attaching to such policies".

He said a typical problem arose where two people were borrowing jointly against their combined salaries but the second-named borrower did not qualify for the unemployment cover, which applied

only to the first borrower.

The report showed, however, that there had been improvements in some areas. There were fewer complaints about cash machines, and from existing customers claiming they had not been told about new savings accounts which offered better rates of interest.

Even so, Shurman made clear that faster progress needed to be made in trying to reduce card fraud through measures such as fitting cash machines with videos and monitoring suspicious patterns of withdrawals. He said also that banks should do more to protect those who were most vulnerable to card fraud, including the very elderly.

While welcoming the fact that complaints had levelled off, Shurman criticised some banks for not publicising the ombudsman scheme enough and for having complaints procedures which were so complex that they put people off.

Laurence Shurman: wants higher standards from banks and customers

Tony Andrews

Taxman yields on relocation

Employees who have been relocated since 1986 got some good news from the Inland Revenue this week, writes Peter Ashby*. Unless they had sold their old house or flat, the Revenue had been seeking to collect tax on relocation allowances given to them by their employers.

Now, following an announcement on November 23, the Revenue will no longer pursue any individual taxpayers unless they have employers who will pay the tax for them under what are known as tax equalisation, or tax protection, arrangements. Even then, the Revenue will pursue only the employer.

The story started in 1986 when the Revenue insisted that, from that point on, taxpayers had to sell their old homes to benefit from tax-free relocation expenses. Up to then, it had merely required an individual to move house.

Strictly speaking, the

expenses have been taxable for many years, but the Revenue had granted tax relief on an extra-statutory concession basis.

The 1986 change was to affect all taxpayers, but the Revenue directed its attention mainly to major employers, who generally pay the tax on behalf of their staff.

The employers and their advisers were not prepared to accept the change and heavy lobbying, led by my firm, paid off with the Revenue's announcement. It has now agreed to reduce the amount it will be collecting from employers as well as the number of people likely to be affected.

The tax bills for employees could have been substantial. It is agreed generally that the new statutory limit (which applied from April 6 1988) of £24,000, above which relocation expenses are taxed, is inadequate.

Therefore, an average employee with a relocation

package of £15,000 could have had a tax bill of £6,000 to pay if he had sold his old home. In practice, amounts of £10,000 were commonplace and senior employees could have had bills very much higher.

There are only two circumstances in which the tax is recoverable:

If the assessment of the income which includes the relocation expenses has not been completed for some other reason, the employee can write to his inspector, have it finalised and the tax will be repaid.

If employees knew they were being transferred temporarily, they would normally expect to return to their own home. Before the revenue's announcement, they would have had to pay tax on their relocation allowances; now, they will not.

As far as paying UK taxes is concerned, staff without employer assistance will benefit only if they have protested and kept their position open.

Any taxpayer who accepted the Revenue's view, settled its position and paid his tax, probably will be unable to claim it back.

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*Peter Ashby is expatriate tax partner at Price Waterhouse and chairman of the tax on relocation lobby group.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & UNLISTED)

Company	Sector	Shares	Value	No. of directors
SALES				
Ferguson Int'l	Pack	70,000	232	1*
Gresham Telecomputg	Env	30,000	44	1
Highland Distillers	Brew	200,000	630	2*
Meyer International	EdMa	26,038	115	1*
Palon	Env	245,000	448	3
Reuters	Med	4,138	68	1*
Tadpole Technology	Env	390,000	1,073	5*
Thomson	OfRe	25,000	41	1
WPP Group	Med	849,917	785	1
PURCHASES				
Carltonwood Brewery	Brew	79,000	117	1
Crossroads Oil	OfG	100,000	14	1
David Brown Group	Inv	7,170	14	3
English & Scott Wts	Inv	70,000	27	1
Falmer Group	Env	1,500	10	1
Falmouth Int'l	OfG	50,000	12	1
Finsbury Underwrtg	Inv	411,600	412	4
Gartmore	Inv	2,037,201	3,422	16
Hambro Inv Services	OfInv	20,000	32	2
Helical Bar	Prop	18,000	47	1
Notred	OfInv	7,000	11	1
N Atlantic Small Co	Inv	20,000	82	1
Sherwood Computer	Bus	95,574	99	1

Value expressed in 2000s. This list contains all transactions, including the exercise of options (*). If 100% acquisition, only the value above £10,000. Information released by the Stock Exchange 15-19 November 1993. Source: Directors List, The Inside Track, Edinburgh.

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Historical data suggests that smaller companies can out-perform larger companies during periods of economic recovery. Providence Capitol believes that now is an attractive time to invest in European smaller companies. Fairbairn Investment Company Limited is the holding company in the UK of the Providence Capitol group of companies.

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27 Nov 1993

FINANCE AND THE FAMILY

Unit trusts / Pembroke

No shocks, please, we're careful

Pembroke does not rank alongside the better known names of the unit trust industry, such as M&G or Fidelity, but it is the second highest-performing fund in the UK Equity Growth sector in the five and three years to November 1 (offer to bid, net income re-invested, Source: Micropal).

The fund was established in December 1986 as a joint venture between John Carrington & Co., a London-based independent fund management company established in 1970, and a Cardiff stockbroker. Carrington took over total ownership in December 1988.

Once it acquired a five-year track record, Pembroke caught the eye of independent financial advisers, who recommended it to clients. As a result, it has grown from £5m last year to just under £14m at end-October. The price is still only weekly but there are plans to go daily in the new year. Also, the name is to be changed soon to Pembroke Growth following the recent acquisition by Carrington of two Shipley unit trusts.

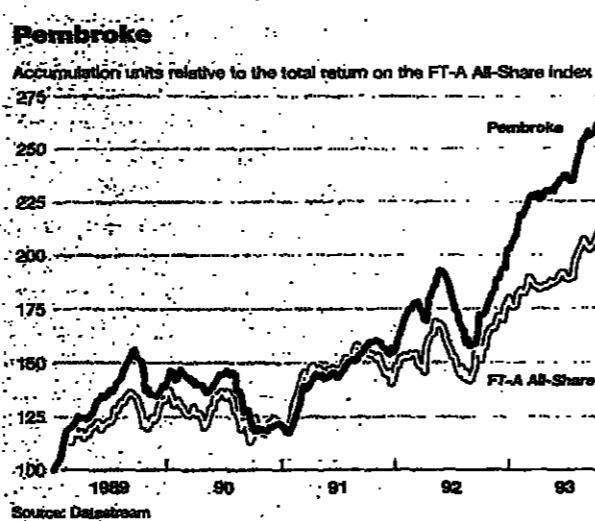
Pembroke is managed by a trio: John Carrington, a former financial journalist with *The Times*; George Luckraft, who joined the company in 1980 from university; and Nigel Thomas, formerly an accountant with Robson Rhodes and one-time manager of Hill Samuel's Smaller Companies fund. The team's strategy relies

heavily on stock selection and Thomas, an investment manager, has veto power over selection. "We look for value in terms of cash flow per share, dividend cover, yield, earnings growth, and the growth relative to the price/earnings ratio," he says. "If we don't find it in the FT-SE stocks, then we look elsewhere."

He cites Sirian, one of the top 10 holdings, as a classic example of looking for value in a declining industry. Sirian, which deals in textiles and hand-knitting yarns, was bought on a 3 per cent dividend yield. Boosted by new management, the company has increased its dividend while the shares are yielding 5 per cent.

Thomas adds: "We are, hopefully, picking the best of the Footsie like Cable & Wireless, De La Rue and Walsley, and then giving it a good blend of medium and smaller size companies that are growing irrespective of the 'economy'. His aim is companies growing by 10-20 per cent a year.

About 58 per cent of the fund is split evenly between large and medium sized companies. Four per cent is in cash and the rest in smaller companies. "We're not a slave to sectoral weightings," says Thomas. "If we don't like oil companies, which are 9 per cent of the All Share, we don't have them." The team has a predilection for companies "which make things or sell things" so that it tends



to ignore oil, some financials and property.

There are certainly no financial or property companies in the fund's top five holdings: Electronic Data Processing, a Sheffield-based computer software and services group; Mayborn Group, which makes fabric dyes, baby products and florists' sundries; Cable & Wireless; Filofax, the personal organiser company; and Next, the fashion retailer. EDP, the largest holding, accounts for 24 per cent of the fund but holdings usually are limited to 2 per cent.

The team finds smaller companies through its network of specialist small company brokers and its own experience. Luckraft and Thomas both have small children and noticed that many of the products they bought for them came from Mayborn - which is now the fund's second-largest holding.

Luckraft says Pembroke's performance has resulted from avoiding disasters - largely, by taking the view that, where smaller companies are concerned, investing is like lending money to the management. With three people involved, the team also has the time to meet the managements of the fund's smaller companies. "We operate a management ban list and we will not touch some management wherever they turn up," he says.

Thomas adds that performance is aided by a readiness to sell stocks which are not performing as well as expected. "If something makes a loss for a good reason, it's worth keeping.

But, in the main, if we've made the wrong decision, we cut them ruthlessly," he says.

Selling out can mean losing out, and the team says there are many times when it has come to regret disposing of a stock too soon. One such was Rhino Group, a computer and video games retailer, which was sold at half the present share price.

At the moment, Thomas does not see much value in stocks on the FT-SE, which has many companies exposed to international earnings. "There's some risks on international earners, especially in Europe, so we try to avoid those."

Pembroke's performance has slipped in the year to November, where it is in the second decile (16th of 144). The team attributes this partly to its dislike of non-manufacturing companies - it tends to steer clear of property companies and other recovery and cyclical stocks, which have performed well recently.

"We've missed out on the property sector and we don't like contractors, either," says Luckraft. "One wrong contract and the business is out of the window. We don't like nasty shocks."

■ Charges: The initial charge is 5 per cent and the annual management fee 1 per cent. The bid/offer spread is about 5.7 per cent. Minimum lump sum investment is £250 and there is a monthly savings plan of £25. Holdings can be put into a personal equity plan without cost.

Thomas adds that performance is aided by a readiness to sell stocks which are not performing as well as expected.

"If something makes a loss for a good reason, it's worth keeping.

■ This is the last article in the series.

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Company Half-Year Financial Highlights

as at 30th September (unaudited)

1993 1992

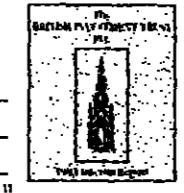
Net Asset Value
Per Share 219p 164p

Ordinary
Shareholders' Funds £683m £512m

Dividend Per Share 2.0p 1.9p

To: The Secretary, The British Investment Trust PLC, Donaldson House, 97 Hanover Terrace, Edinburgh EH11 9HD. Please send me a copy of the 1993 Interim Report.

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A matter of choice

Q&A

BRIEFCASE

My wife and I own our house in equal shares as tenants-in-common. To reduce inheritance tax, we intend to leave our half shares to our son. But would it not be wiser to leave him 9/10ths of our half share so that the survivor with 1/10th would have full control over the property?

■ An individual who owns a share of property as tenant-in-common is able to leave the whole or part of his share in the property to whoever he wishes. It is possible, therefore, that you could, in your will, leave 9/10ths of your share to your son and 1/10th to your spouse. Your spouse would then have an 11/20ths share in the property, but this does not mean that she would have "full control" of it.

Both your son and widow, as tenants-in-common, have an undivided share in the whole property, which means that the person with the smaller interest can still enjoy the whole of the property.

Reply by Barry Stillman of accountant Stay Hayward.

Transferring a holding

I intend to transfer to my son part of my holding of SPLIT (Save & Prosper Linked IT) capital shares, the price of which is substantially above that at which I bought them. To save market-makers' spread (substantial in this case) and broker's commission, I wish to execute a direct transfer form which my son can then register directly with S&P. Am I correct in assuming that?

1. My son will have to send the completed form and pay 1% per cent of the market value to the Stamp Duty Office before he can register the transfer with S&P.

2. This market value will be

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contract or gift, as the case might be. Ask your tax office for the free pamphlet CGT14 (Capital gains tax: an introduction).

The CGT rules for transfers between husband and wife do not apply to any other transaction.

■ CGT pool for shares

based on stock exchange closing price (as stated in the FT Cityline) on the day of the transfer.

3. A simple written letter from me to my son, signed by us both, will be sufficient evidence of this transaction and unacceptable to the Inland Revenue for CGT purposes.

Alternatively, I might wish to transfer these shares to my son as a gift, for no consideration. In this case, would the transfer be exempt from stamp duty?

Also, would I have the choice of either effecting the transfer at present market price, accepting the CGT liability myself, or postponing liability (as in the case of transfer between husband and wife) until my son disposes of the shares?

■ If you sell the shares to your son, the stamp duty will be based upon whatever price he actually pays you - as shown on the transfer form. If you give them to him, no stamp duty will be payable (provided that you complete the stamp duty exemption certificate on the back of the transfer form).

For CGT purposes, it makes no difference whether you sell the shares to your son or give them to him: you and he will be treated as though you had sold them to him at their market value (on the quarter-up basis) on the day of the sale.

Ask your tax office for the free pamphlet CGT13 (The indexation allowance for quoted shares).

Pick the fund that's right for

you from the table, or choose any from our comprehensive range of 10, and all your returns will be tax-free.

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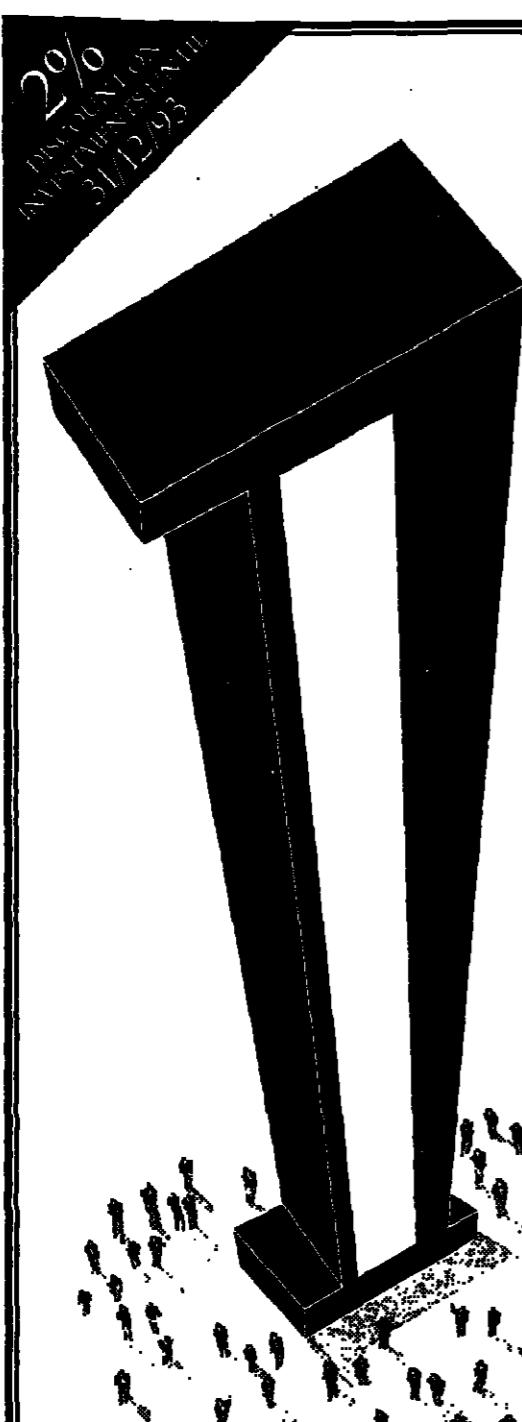
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FINANCE AND THE FAMILY

Rush is on for the BES

Many sponsors and companies involved in business expansion schemes are urging people to invest before Tuesday's Budget because of speculation that Chancellor Kenneth Clarke might decide to axe the BES immediately instead of December 31, as announced previously. But while it is in their interests to urge swift action, investors should make sure they get financial advice before acting; otherwise, they could find themselves regretting any hasty action.

Budget fever has led some sponsors to increase their exit prices. The Allenbridge group, a leading BES analyst, says this should help keep up the price of new issues.

Accumulus Probel, a cash-backed, arranged exit scheme sponsored by Terrace Hill Capital, has raised its exit price from 120p to 124p equates to 14 per cent for a higher-rate taxpayer (the calculation of BES rates of return depend on a number of factors, such as when tax relief can be claimed). The scheme, fully cash-backed with a minimum investment of £2,000, is described by the British Taxpayers' Association, a tax consultant, as "a top of the market, cash-backed, contracted exit for a worthy cause."

The Tenth Johnson Fry Cash-Backed scheme aims to

raise £5m for Nottingham Trent University. The contracted exit price is 121p, equating to 13.7 per cent for a higher-rate taxpayer. The buy-back obligation is being secured by a certificate of deposit. Minimum investment is £3,000.

Meanwhile, the £30m BES

Alternatively, they can have a 60p minimum return plus 12p for every 1 per cent rise in the FTSE 100. The return will be calculated from the level on the start date to the highest closing level during the five years, thereby locking in the highest point. The index would have to rise by 51 per cent in order to beat the fixed return. Both returns are backed by certificates of deposit. Minimum investment is £2,000.

Terrace Hill Capital and Nelli Clark are sponsors to South Eastern Recovery IV, a "predator" BES which does not have a secured exit route but aims to profit from the still-depressed residential property market by buying now, letting to private tenants for five years, and then selling in the hope of a handsome profit. Minimum investment is £1,000.

Pavilions of Splendour is an estate agency specializing in unusual buildings. Its managing director, Marianne Watson-Smyth, is a former secretary of Save Britain's Heritage. It aims to raise £250,000 through the BES to market and sell Grade I or Grade II properties. Minimum investment is £1,000.

Permanent interest-bearing shares

Prices of PIBs have not changed greatly since the FT last published the table on October 23, writes Scheherazade Daneshkhoo. Simon Moyle, of Hoare Govett, attributes the market's relative lack of activity to investors awaiting the Budget.

PIBs are fixed interest-paying instruments issued by building societies and income usually is paid twice a year. They offer higher yields than gilts because of their higher risk: societies are less secure than the government. Gains from PIBs are exempt from capital gains tax unless they are bought to a fund.

Moyle believes this week's base rate cut will have a beneficial effect on PIBs. "The prospects for greater profitability by societies was enhanced by the recent cut in interest rates. Not only should this provide an incentive to the housing market but it will also allow societies to manage their interest margins to a greater

extent. This should be good news for PIBs investors as performances improve."

On balance, the higher the PIBs' yield, the riskier the society is deemed to be by the

market. Thus, both Halifax building society issues have the lowest yield in the table. But since these are in denominations of £50,000, few private investors are likely to be

attracted to them. Moyle believes that "both First National and Bristol & West have underperformed the market and there is scope for further improvements here."

PERMANENT INTEREST BEARING SHARES

Stock	Coupon (gross %)	Minimum (£)	Issue date	Issue price (pence)	Price* (pence)	Yield* (gross, %)
Bradford & Bingley	13.00	10,000	30/9/91	100.20	141.75	9.17
Bradford & Bingley	11.63	10,000	29/6/92	100.13	127.75	9.10
Bristol & West	13.38	1,000	11/12/91	101.79	136.50	9.80
Bristol & West	13.38	1,000	31/10/91	103.34	136.50	9.80
Britannia (1st)	13.00	1,000	13/1/92	100.42	138.50	9.52
Britannia (2nd)	13.00	1,000	8/1/92	107.13	138.50	9.52
Cheltenham & Gloucester	11.75	50,000	21/10/92	100.95	128.25	9.16
Coventry	12.13	1,000	28/5/92	100.75	128.50	9.44
First National	11.75	10,000	4/5/93	100.25	114.75	10.24
Halifax	12.00	50,000	23/1/92	100.28	135.25	8.87
Halifax	8.75	50,000	7/9/93	100.62	102.00	8.58
Leeds Permanent	13.63	50,000	3/6/91	100.00	150.00	9.08
Leeds & Holbeck	13.38	1,000	31/3/92	100.23	138.00	9.69
Newcastle	12.63	1,000	8/9/92	100.45	133.50	9.48
Newcastle	10.75	1,000	15/6/93	100.32	114.00	9.43
North of England	12.63	1,000	23/6/92	100.14	131.50	9.60
Skipton	12.88	1,000	27/2/92	100.44	132.00	9.75

Source: Hove Group. *Purchase price as at mid-day November 23, includes accrued interest. Includes share issue payable on Coventry pib only.

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FINANCE AND THE FAMILY

Put your trust in benchmarks

John Cuthbert on a system that makes it easier for investors to choose between funds

One common complaint about unit trusts is that there are too many. They may be classified by sector and some funds have specialist labels but, these things aside, trusts look very much alike.

Detailed fund biographies and some definitive standard for judging performance would help investors to choose. But the only information available at present is a fund's total return record. No wonder unit trust investment can be hit or miss.

The same cause for concern could once be heard in the United States. In the past 10 years, though, investors there have had access to a system called benchmark adjustment that provides more information about a fund's characteristics and allows people to assess the top funds from information based on more than just a total return figure.

The system incorporates an easy-to-understand dual standard. The first is the concept of risk-adjusted performance. There are two answers to the question: how well has fund X performed? One has to do with risk, the other with return. This is a point of basic importance in evaluating performance because there is an important relationship between risk and return. The riskier the investment, the higher the return has to be.

A benchmark approach adjusts a fund's total return to take account of risk. This is because it is all too easy for a manager to achieve ever-higher returns by simply taking increasingly risky bets. On a risk-adjusted view, good fund managers are those who have a high return relative to risk and not a high return alone.

The second standard uses a benchmark to judge the size and consistency of the manager's performance.

The basic notion behind benchmark comparison recognises that most funds have an "active" approach to management. In simple terms, active managers aim to provide a higher return than an investor could get on his own.

Whether a manager has been successful in this can be determined by comparing the fund's return with a benchmark that has no managerial decisions at all. Fortunately, everyday indices such as the FT-A All Share are highly suited to this role.

Benchmark comparison is the first stage in a process of sorting managerial wheat from the chaff. Funds that can beat their benchmark consistently

UK Equity Income Sector							
Fund name	Total return %	Benchmark %	BM ratio	Yield	Risk relative to sector	Risk description	Risk/return
Newton Income	17.88	-6.15					
1991	5.08	4.57					
1992	32.17	5.81					
Total	54.51			1.08	3.50	0.72	LOW
Jupiter Merlin Inc	19.84	-4.17					
1991	7.48	7.05					
1992	42.95	15.69					
Total	70.05			1.30	4.62	1.00	AVERAGE
Acumax UK Eq Inc	29.16	5.37					
1991	-2.04	-2.45					
1992	34.82	8.53					
Total	62.08			1.23	3.17	1.02	AVERAGE
M Graw UK Eq Inc	18.05	-6.15					
1991	0.10	-0.51					
1992	42.22	15.88					
Total	60.38			1.18	3.73	1.03	AVERAGE
Eagle Star UK Eq Inc	26.49	2.68					
1991	1.30	-0.89					
1992	31.47	5.11					
Total	59.28			1.17	5.75	1.04	AVERAGE
Credit Suisse Inc	25.45	1.64					
1991	3.26	2.85					
1992	32.12	5.76					
Total	60.83			1.20	3.83	1.10	ABOVE AVE
Sun All Eq Inc	23.92	0.09					
1991	0.89	0.48					
1992	32.83	6.47					
Total	57.65			1.14	3.83	1.06	ABOVE AVE

KEY: Years are September to September. The benchmark column is calculated by comparing the fund's return with the total return of the FT-A All-Share Index. Yield is the profit/loss at the end of September. (Source: Investors' Guide) BM is based on each fund's standard deviation, divided by the sector's standard deviation of 4.64. The risk/reward ratio is each fund's average monthly return divided by its standard deviation.

provide an identifiable body of above-average funds for further screening. My studies reveal that only 24 per cent of trusts have beaten their benchmark more often than not over the past three years.

The next stage in the screening process employs what we have discovered about risk and return. Some managers could simply beat their benchmark because they take risky bets. So, by calculating a number that represents a fund's risk, and then dividing this into its total return figure, a further number expressing the fund's risk/return trade-off can be obtained.

If this trade-off is better than the benchmark (ie, higher return and lower risk), then this constitutes further evidence of managerial ability. Only 15 per cent or so of managers fall into this category.

The size of the risk/return trade-off figure is crucial because it reveals something further about managerial ability. Sometimes, this figure is so large that, when taken with the fund's record of beating the benchmark consistently it is

an overwhelming indicator of top-notch managerial skill. Only 4 to 5 per cent of unit trusts (around 80 funds in all) come into this category.

As it happens, the UK equity income sector provides the perfect example of benchmark adjustment at work. The following example is purely a quantitative description of recent history; it is not a complete study of this sector and, therefore, is not foolproof.

The table shows the total return and benchmark records of the seven top funds in a sector of 111. These funds have been ranked in declining order of the most important indicator for this sector - the risk/reward ratio. (Note that the relative importance of different indicators varies between sectors.) These rankings are based on three years of total returns, the minimum period necessary.

The total return column records the year-on-year return (figures are based on September to September) for each of three years, and the total for the three-year period. Year-on-year total returns are a fair

more reliable basis for evaluation than cumulative periods because they provide a chance to see how the success of the manager's strategy has varied over time.

This is of great importance because UK equities recorded heavy losses in two of the past five years, and then made up most of the ground in just one. A cumulative figure does this detail.

The next column - benchmark return - exposes the amount by which funds out or underperformed the All Share in each period. The figure, under the heading BM ratio, summarises these statistics. Acumax's BM ratio of 1.23, for instance, shows the fund beat the All Share by 23 per cent over the three years.

The risk column reveals by what percentage the fund is riskier than the sector average. Newton Income's figure is 0.72, or 72 per cent of the average, which is low.

These tables record far more information about these magnificently seven than could be gleaned from cumulative total return figures alone. Newton

Income, for example, has a total return over one year which places it 91st in its sector - but it is the top fund on a risk/return basis in the survey. Most of these funds look good on a total return basis over three years, but this survey has also deliberately excluded some high total returners on risk grounds. Take Perpetual Income. Its total return places it third in the sector over three years, but its risk (1.25, high) knocks it out of the top seven.

All these funds have been selected because they share common virtues: high risk/return trade-offs (the sector average is 0.38 and the figure for the All Share is 0.31); benchmark outperformances over three years; and the most consistent total and benchmark returns. But although these funds have these things in common, they display them in different degrees.

This is important because it would be wrong to read these rankings as a strict hierarchy. Newton Income should not necessarily be preferred to all the others. Instead, funds must be appreciated for their differences.

Newton Income has very low risk because it holds bonds as well as equities. This gives the fund defensive qualities in falling markets but means that it might not produce the highest returns in a rising market. This fact is reflected in its low three-year benchmark score of 1.09.

The high benchmark return consistency of Credit Suisse, Eagle Star and Sun Alliance - all three have beaten the All Share in the three years we studied - also indicates funds with defensive qualities. While 1992 was a poor year for equity income funds (the average fund lost 5.85 per cent), these three funds all made money. But 1993 has been a boom year (the sector average return is 34.86 per cent) which these funds have missed to some degree. So, with defensive funds, you end up with less of the downside - but less of the upside, too.

On the other hand, you might prefer a fund which offers the chance of a little more gain on the upside. Morgan Grenfell and Jupiter Merlin come into this group. In both cases, the 1993 return is way above the sector average, a fact which is reflected in the size of the 1993 benchmark return. But, whatever your preference, the point about a benchmark approach is that it allows you to decide for yourself.

The total return column records the year-on-year return (figures are based on September to September) for each of three years, and the total for the three-year period. Year-on-year total returns are a fair

aries who recommend the product will be paid on a "level commission" basis through the life of the policy, rather than receiving most of it upfront as is usually the case.

This obviously creates a cash-flow problem for financial advisers. Some believe that when, under proposed new disclosure rules, they have to reveal the amount of commission they receive, consumer pressure will force the industry to move to a level commission basis.

GA Life will continue to offer its old-style endowment policy, which pays commission upfront, alongside the new version. In its press release, the company says it "anticipates that IFAs [independent financial advisers] will make the decision based on the right product for the individual circumstances of the client."

The whole issue brings us back, however, to one of the basic problems of the commission system. The new policy will result in the same terminal payout as the old; indeed, the only difference for the policyholder will be the enhanced value in the early years.

Thus, it is hard to imagine any circumstances when it would be in the best interest of the client to have the old policy, the best interests of the adviser are another matter.

If all products were sold on a level commission basis, these conflicts of interest would not occur. But while the systems run in tandem, there are likely to be problems.

Nevertheless, any attempts by the life industry to reform itself must be welcomed. Present regulatory plans, which will have consumers being given full details of surrender values as well as commission payments, ought to mean that those consumers who do want endowment policies will be buying with their eyes open.

HIGHEST RATES FOR YOUR MONEY

Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
INSTANT ACCESS A/cs					
Teachers' BS	0800 378669	Instant	£500	6.40%	Y/Y
Buckinghamshire BS	0494 872064	Postal	£2,500	6.55%	Y/Y
Birmingham Midshires BS	0922 646700	Postal	£10,000	6.80%	Y/Y
Bristol & West BS	0800 100117	Postal	£50,000	7.10%	Y/Y
NOTICE A/cs and BONDS					
Teachers' BS	0800 378669	90 Day	£1,000	6.50%	Y/Y
Grenwich BS	061 858 8212	30 Day	£10,000	7.10%	Y/Y
West Bromwich BS	021 255 7070	180 Day	£50,000	8.10%	Y/Y
Bristol & West BS	0272 294271	6 Mth	£5,000	6.85%	Y/Y
MONTHLY INTEREST					
Birmingham Midshires BS	0902 846700	Postal	£500	5.80%	Y/Y
Bristol & West BS	0800 100117	Postal	£10,000	6.55%	Y/Y
Woolwich BS	0800 406900	90 Day	£50,000	7.25%	Y/Y
West Bromwich BS	021 255 7070	180 Day	£50,000	7.81%	Y/Y
TESSAs (Tax Free)					
Andover & Rugby BS	0453 251254	5 Year	£500	9.02%	Y/Y
Amberley BS	0393 721821	5 Year	£3,000	9.04%	Y/Y
Dulver BS	0384 251414	5 Year	£10,000	7.87%	Y/Y
Progrative BS	0222 244262	5 Year	£1	7.75%	Y/Y
HIGH INTEREST CHEQUE A/cs (Gross)					
Caledonian Bank	031 556 8225	Instant	£1	5.00%	Y/Y
Chelsea BS	0800 717515	Instant	£2,500	6.00%	Y/Y
Northern Rock	0800 591500	Instant	£50,000	6.60%	Y/Y
OFFSHORE ACCOUNTS (Gross)					
Woolwich BS	0491 719725	Instant	£500	6.25%	Y/Y
Confederation Bank Jersey	0594 608060	60 Day	£10,000	6.75%	Y/Y
Derbyshire (OM) Ltd	0624 883432	90 Day	£50,000	7.80%	Y/Y
Yorkshire Guernsey Ltd	0481 710150	Key Term	£10,000	6.70%	Y/Y
GUARANTEED INCOME BONDS (Red)					
Alco Consolidated Life FN	081 680 1753	1 Year	£50,000	4.45%	Y/Y
Consolidated Life FN	081 840 5843	2 Year	£50,000	4.75%	Y/Y
Proprietary Life FN	08				

FASHION

To hell with colour – black is back

Brenda Polan dresses down – deliciously – in every woman's favourite fashion classic

It was the kind of party which, a year ago, would have been a raucous festival of colour: bright satin, aggressive taffeta, dazzling lame. It would have been cheerful with feathers, beads, diamante buttons and flamboyant bows. This year, however, the room was a haven of sombre sobriety. It was difficult, on first entering, to distinguish the black-clad men from the black-clad women. Only the flashes of female flesh, the bare arms, shoulders and nearly-nude bosoms which glowed under the dimmed lights, offered a few clues.

This sea of darkness elicited a strangely mixed response: disappointment that the eye-stimulation offered by a rich variety of colour and texture was missing; and a relaxing sense of familiarity and safety. This, after all, was just the way it was in the mid and early 1980s before designers

"rediscovered" colour. Those, of course, were the days when most of us wore little else but black at any time of the day, a phenomenon jointly induced by the Milanese designers with their passion for an urban uniform of black, white and grey and the new wave of Japanese designers with their baggy, post-holocaust monochrome palette.

Fashion victims of the time would confess to having inadvertently bought the same black jacket twice, to having another eight similar ones in their wardrobe, or being made nervous by the sight of anyone wearing something colourful. Men and mothers got very depressed at what they perceived as a morose and deliberately disfiguring uniform.

The entrance he consequently made has, as he might have wished, reverberated through history. It was the start of an unstoppable revolution in men's clothing and the

guilt, gloom, sorrow, sin and death. It is the non-colour worn by nuns and widows, celibate priests, ascetic scholars, avenging goddesses and cauldron-peering witches, by the Furies, Hamlet, Queen Victoria – and Dracula.

So whenever it is worn by someone who falls into none of those categories, it has, traditionally, a perverse, dramatic effect. Beau Brummell's falling out with the Prince Regent may have degenerated into name-calling but it began as a clash of styles when Brummell discovered he was bored with jewel-coloured brocades and embroidered velvet and got himself up in sober black, relieved only by a simple white stock.

The entrance he consequently made has, as he might have wished, reverberated through history. It was the start of an unstoppable revolution in men's clothing and the

Prince's subsequent temper tantrum only made it more likely.

On women, particularly young women, the dramatic effect is further heightened. Traditionally, as the debutantes presented at Queen Charlotte's Ball can testify, white and its pastel near-neighbours are the appropriate colours for maidens. White is the colour of purity and innocence, simplicity and hope. Black, its opposite, manages to imply impurity, experience, sophistication and, if not cynicism, then knowingness.

It was only in the early years of the century that it became permissible for a woman to wear black for evening glamour rather than because she was in mourning – and even then, if she was not an actress, she had better be married.

This was a proviso which oper-

ated even when Coco Chanel introduced the first official Little Black Dress in 1923. It was very much a grown-up's dress, a dress worn by a woman of the world with a long *sauoir de pearls* and a cigarette in a holder.

So much of recent fashion history is a matter of Chanel inventing and Yves Saint Laurent revising that it is hardly surprising that the LBD having been reworked by every couturier in between, it was young Yves who gave it new life in the shape of the Smoking, a dress which mimicked the lines and satin revers of the gentleman's tuxedo.

Simultaneously the last of the exclusion clauses became inoperative. The self-dramatisation of Beatnik black had deliberately set out to undermine all kinds of conventional ideas about dress. The young women of the 1960s loved it for its moodiness, its hint of threat

and danger, the fact that it shocked their mothers. They embraced Saint Laurent's Beat leathers and black Smoking with equal passion.

However, shock value is easily attenuated by familiarity. In the last 30 years the LBD has become a staple of most women's wardrobes

not because of its drama, but because of its lack of it.

It is the equivalent of the man's evening suit. In it, a woman feels secure in the knowledge that she is appropriately dressed. She will never look as if she has tried too hard – much worse than looking as if she hasn't tried at all. Unless the LBD in question is particularly extravagant in style, she will never look like a matron dressed as lamb, a serious hazard when fashions in eveningwear become giddy, colourful and overtimed.

So, at last week's party, among the LBDs, the Smokings, the black palazzo pyjama suits, the black all-in-ones and the black velvet Biba knock-offs, regret and disappointment were fleeting. Gratitude and relief will last a lot longer.

My escort, an amateur sociologist, given to sweeping interpretations of fairly frivolous trends, observed portentously: "At last, sackcloth and ashes. The eighties are really over. They're all game into mourning for their Chanel handbag. It's minutes self-denial."

No, no. It's minutes ease and comfort. You can only sustain high anxiety for short stretches of time and that is exactly what getting into a party dress used to be like. Me? I was wearing a black trouser suit over a black lace body. Wouldn't you have been?

Belgian chic – from riches to rags

Does anyone actually wear the deconstructionists' designs? Avril Groom looks at the clothes on the catwalks, below, and, right, on some real-life customers

The most interesting and challenging clothes right now come from a man who makes jackets out of old Metro posters and a woman whose idea of decoration is hospital-style tape ties. This sounds like the same avant-garde freakiness that spawned fashion-victim long black layers, impossible to wear for anyone other than scrappy supermodels, but the growing band of sophisticated women who love these clothes tell a different story.

Ann Demeulemeester, Martin Margiela and Dries van Noten are the tongue-twisting Belgian triumvirate leading the "deconstruction" movement which turns the traditional precepts of clothes-making literally inside out, putting lining fabrics, raw edges, seams and so on on the outside.

These are controversial ideas that originally made a strong point about consumerist fashion in recessionary times but, as the three insist, such ideas are only a tiny part of their output.

The designers are the direct descendants of the older

avant-garde grouping of Rei Kawakubo, Yohji Yamamoto and Issey Miyake, who have long toyed with such themes. But whereas the Japanese looked to their own culture and the future for their uncompromising shapes, the Belgians are infused with a powerful nostalgia for Europe's fashion past.

The Belgians graduated from art school in Antwerp in the mid-1980s. They share a philosophy which then seemed revolutionary, that clothes should be a quiet mix of individual pieces, new and old, to enhance the personality. With brash, gilt-buttoned logoland all around them, they needed shock tactics to get noticed.

These Belgians are far from the snarling nihilists some of their publicity suggests. Margiela is a charming, gentle giant, whose chunky marlled sweater and sea dog's cap make him look more like a North Sea fisherman than a designer. He finds beauty both in precious old clothes and the ability to remodel them in modern form.

His ideas tread a fine line between the witty and the wacky, usually coming down on the right side because of their quality. The soft, chunky Aran-style sweater shrouded in a layer of fine net, the clinging crop-top apparently made from a pair of long socks, the antique-looking crepe dress with its darts and hem carefully unpicked and pressed open (yet still flattering cut), the man-style jacket cut with a narrow shoulderline and overlong sleeves to emphasise femininity – the list seems endless.

Margiela's influence on current fashion is eloquently displayed by his spring collection. There is not a single new piece, just his favourites from previous collections, all coloured grey and carefully dated with their year of design. There they all are – the apron skirt, the flesh-coloured chiffon body with tattoo print, even the recycled paper jacket, all invented here but seen on many international catwalks for the first time this season.

Sheila Cunningham, a 60-year-old East End social worker and one-time assistant to New York fashion doyenne Diana Vreeland, is one of his fans. "His clothes are a private pleasure. They don't cry out 'designer' and could be second-hand but they are well-made and feel wonderful. Dark colours are good for work and public transport. The shapes are individual enough to transcend trends. I buy such things in sales and need them to last."

Ann Demeulemeester, a small, pale blonde with limpid blue eyes, is a perfectionist whose business is self-financed and controlled. She says she "only started designing when I felt I had something differ-

ent to say, to put my soul into clothes. Mainstream fashion was about comedy then but I was trying to design poetry."

Her clothes are detailed with craft-like care. Tiny ties that bind and fasten, fine tucks in the back of a swirling soft dress that give it a flattering sensuousness, the femininity of a bias-cut velvet skirt under a narrow, but manish, brocade frock-coat – wearing these clothes is a subtle pleasure.

Her spring look is soft and fragile, with tiny linen camisoles suspended over mesh tops and hitched-up Victorian skirts, and pale, delicate colours replacing some of the black. "I want to dispel the idea that my clothes are sad," she says, "though sadness is a fine emotion."

Ideas are fun – to me, this is the first time in ages something new has happened in fashion.

She is wearing a black silk/wool brocade sleeveless coat by Ann Demeulemeester, £350, silver metallic/acetate top by Martin Margiela, £165, nylon/polyamide top by Helmut Lang, £150, wool apron skirt by Dries van Noten, £200, all from Browns, South Molton Street, London W1.

SARA BLONSTEIN, 28, media event organiser: "I've never been a power-dresser. I prefer street fashion but now I'm older I want a more elegant version. I have worn second-hand clothes which the beautiful tiny details and fabric of Demeulemeester's designs remind me of."

"Margiela fits a curvy figure brilliantly. I love the flowing look of floaty, monochrome layers. I feel very attractive in them. The

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I don't wear them all the time. Some of my family do not understand this kind of fashion."

She wears a black rayon/viscose dress by Ann Demeulemeester, £225, black and white wool tweed jacket by Martin Margiela, £225, both from Joseph, Brompton Cross, London SW3. Make-up by Hannah, hair by Jon, both at Molton Brown. W1. Pictures by Tim Jenkins. Catwalk pictures by Niall McInerney.



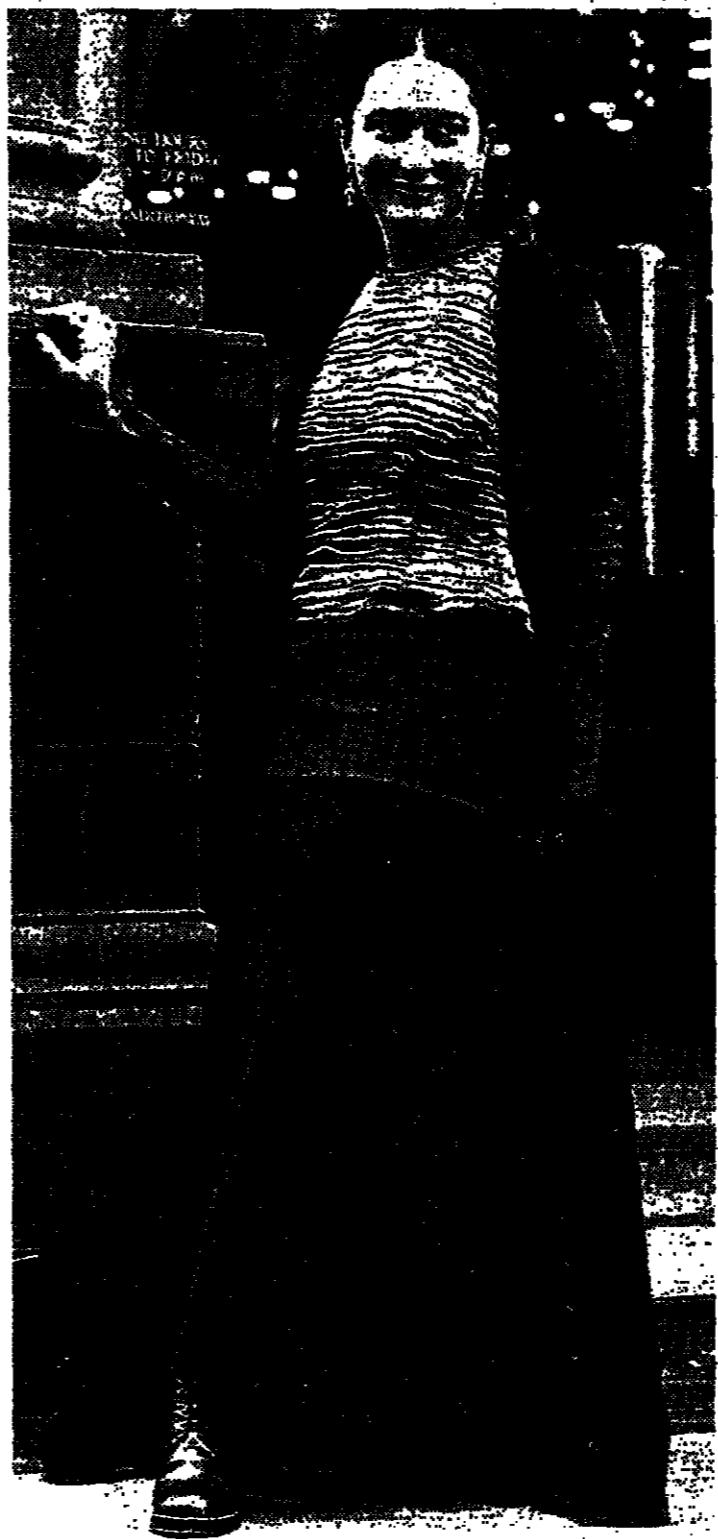
Pale chiffon and silk by Dries van Noten



White linen layers, Ann Demeulemeester

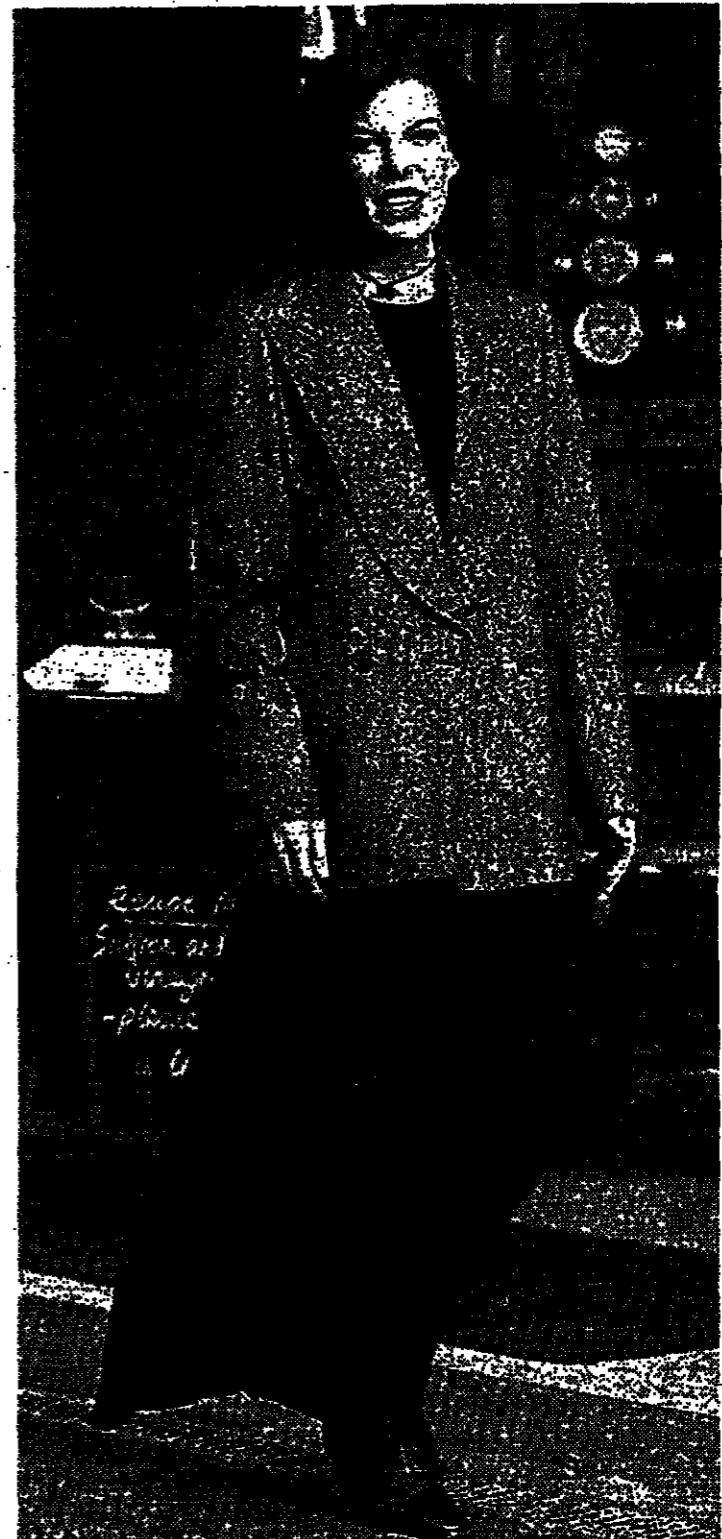


Jeans and chiffon by Martin Margiela



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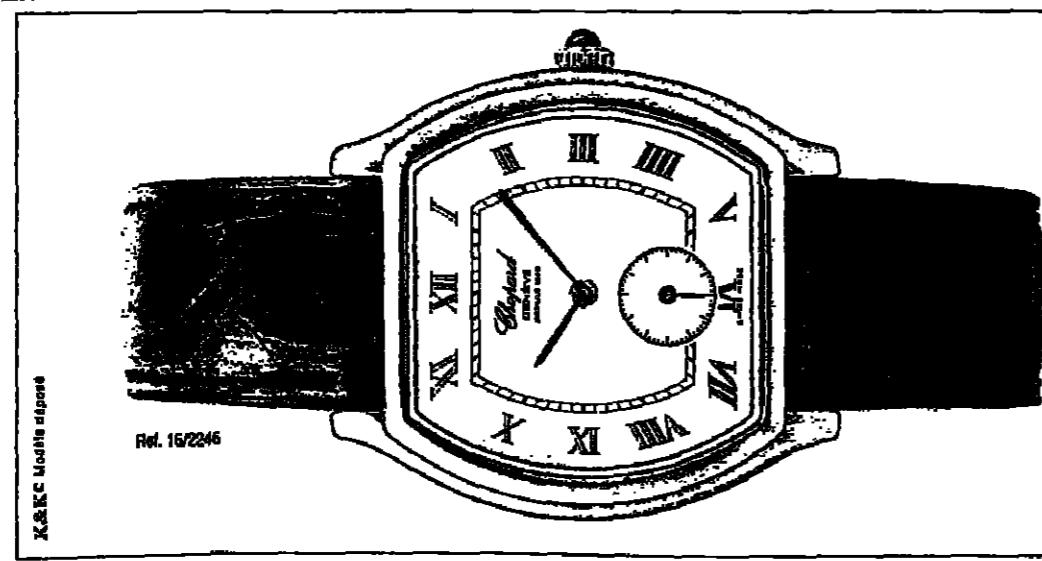
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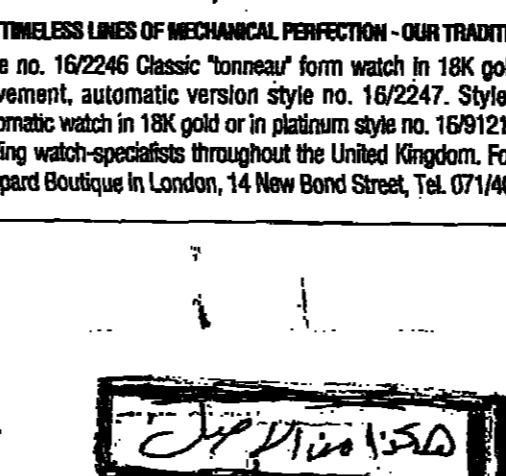
CAITLIN COLOCOTRONIS, 28, artist: "I like clothes to be an extension of myself, to look brave and sexy as these do, even though they are subtle, showing off the personality rather than the body. They are tactile, well-cut and flattering. In adapting them to myself I feel confident. I hate labels; I resent paying to be a designer's PR. These clothes are beautiful, minimal, dark and unconventional, all very me, but

I don't wear them all the time. Some of my family do not understand this kind of fashion."

She wears a black rayon/viscose dress by Ann Demeulemeester, £225, black and white wool tweed jacket by Martin Margiela, £225, both from Joseph, Brompton Cross, London SW3. Make-up by Hannah, hair by Jon, both at Molton Brown. W1. Pictures by Tim Jenkins. Catwalk pictures by Niall McInerney.



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Icebergs, dense fog, speeds suitable for water skiing, and boat damage are now daily fare for the yachts competing in the Whitbread round the world race. This weekend the fleet will pass King Edward Island, 1,000 miles south-east of Cape Town and the half-way point of the second leg.

Intrum Justitia, the pan-European entry in the lightweight W60 class, is the yacht setting the pace – literally. On Wednesday, it posted a new Omega 24-Hour Challenge record for the 1993/4 race with a run of 374.6 miles. At one point in the day, the satellite results system showed *Intrum* holding a steady 22 knots. But the depression blasting it along weakened and the average speed dropped to a tamer 17 knots.

Spray reached as high as the first spreaders on the mast, reported skipper Lawrie Smith, and the on-watch crew faced walls of green water coming down the deck. Much of it found its way below.

"These boats are notoriously wet,

Very wet, very cold and very fast

Yachting/Keith Wheatley

more akin to a submarine than the point of a dive than the surfing sailboards they've been described as," said Smith. "Everything is dripping down below. Floors, walls, clothes. Only the bunks are dry and I'm not too optimistic about them. It's horrible – but you can put up with it if you're winning," grinned Smith on a live video link via Inmarsat.

Aged 37, and Britain's top professional sailor, he has transformed the fortunes of *Intrum Justitia* since replacing Roger Nilson as skipper after leg one. The boat led across the start line out of Punta del Este, in Uruguay, two weeks ago and has stayed in pole position (in the W60 class) since.

Sceptics in rival yachts refused to believe that changing one man could alter the fortunes of a highly technical campaign. Alan Gray might beg to differ.

Gray's yacht, *Jamarella*, made a middling start in the 1989 Admiral's Cup campaign so he brought in Smith and the boat finished top AC yacht for the season. "He's simply an excellent sailor and makes a big difference when he joins," said Gray. "It's motivation and experience, not just ability. Lawrie has grit and a bit of magic, plus huge technical ability to optimise things like sails. You can't quantify attitude but, if we were talking about the media or show business, you'd know he has star quality."

Ross Field, skipper of the fourth placed *Yamaha*, 74 miles behind Smith, does not seem to be enjoying himself quite so much. "Conditions are bloody unpleasant. It's very cold and the snow and fog are making it even more difficult," he said. "We've spotted icebergs and this snow is ahead of new front coming through."

Yamaha was lucky to escape undamaged after being knocked flat in the "big blow" that powered *Intrum* to its record run. Field said the broach happened in around 35 knots of wind and the yacht was on its side for nearly 15 minutes.

Skipper Chris Dickson said: "When we spotted Ken [Hara] overboard when he fell from the tip of the spinnaker pole without a safety line."

Before we could turn the boat around, Hara's first thoughts on seeing the boat going away from him were: "This must be a dream, this can't be happening." He removed his boots and held them upside down for additional buoyancy. He was wearing only sea boots and thermal underwear at the time.

"After the experience of *Tokio* in the early days of this leg, there will scarcely be a Whitbread crewmember who is not wearing his safety harness. *Tokio*, which won the W60 class in the first leg of the race and is second around 20 miles behind *Intrum Justitia*, lost bowman Ken Hara overboard when he fell from the tip of the spinnaker pole without a safety line."

Skipper Chris Dickson said: "When we spotted Ken in the water, we were doing 13 knots away from him with two spinnakers up and a lot of work to do

before we could turn the boat around. Hara's first thoughts on seeing the boat going away from him were: "This must be a dream, this can't be happening." He removed his boots and held them upside down for additional buoyancy. He was wearing only sea boots and thermal underwear at the time.

"This incident was not due to extreme conditions but through carelessness. All the crew is aware that, in different conditions and darkness, things might not have gone so smoothly," added Dickson, who reprimanded Hara. "The bowman is a hero in Japan, where he is the country's first big-time professional sailor in a nation that is

Pierre Fehlmann, skipper of *Merit Cup*, is candid in his attitudes about his yacht's inability to match the Kiwis despite having near-identical boats from the same designer. "I am really wondering, do they have a hull that is somewhat better in surfing conditions? Do they simply have better helmsmen? Or do they push the boat one step further towards the risk limit than we do?" pondered a downcast Fehlmann.

Golf

Secret joy of Ireland's missing links

So what else does Nick Faldo do with his spare time apart from strap his wrist to the latest high-tech gadgetry to ease tendonitis?

This summer he donned his architect's hat and broadened his education by visiting some of the great Irish golf courses that never host a stop on the European tour. His ambition is to design both a links and an inland course in Britain that stand comparison with any, so the journey was an essential one.

Some Irish links courses, such as County Sligo and Lahinch, are known to most golf students, but there was one place that Faldo visited that has escaped attention.

Ballyliffin, in Donegal, is the most northerly course in the whole of Ireland. It lies just below Malin Head.

Quite why it is not recognised among Ireland's finest courses is something of a mystery. Its absence from most guidebooks explains why the fairways are largely deserted; a stark comparison to Ireland's most celebrated venues. But Malin Head did have 19 days in July when the wind's was gale force, and this was perhaps a contributing factor. Who, though, ever went to Ireland for the weather?

Furthermore, Ballyliffin is a breathtaking links course and the green fees, at £15, represent a bargain which you will have to search hard and long to match.

What Ballyliffin is not, however, is a fair golf course. It is gloriously, maddeningly, unfair, as most links courses are. Its fairways are covered in pimplies, and if you were not surrounded by some of the most sublime views to be found anywhere, you would be cursing as your 230 yard drive comes to rest on a vicious slope.

The whole course is a hidden trove. It does not matter one score card you have picked up lists the fifth hole as a 389 yard par four, when what you are actually confronted by is one of the great natural par three's.

You quickly grow used to the fact that the score card measurements are in yards while the marker posts on each hole are 150 metres from the flag.

Of course if you do not accept these eccentricities, there are plenty of 275 per round courses in the UK where you will have time during the five hours it takes to play 18 holes to ruminate on the fact that everything is spot on.

Ballyliffin itself contains, so far as I could see, two hotels, two shops, a post office, a couple of bed and breakfasts, two pitch and putts, a wondrous beach and the golf course. It lies halfway up the Inishowen peninsula, beloved of geologists, archaeologists, historians, naturalists, ornithologists but not yet golfers. Just do not tell too many about it, will you?

Faldo, by the way, played off the back tees and breezed round in 69, which is three

Derek Lawrenson follows Nick Faldo to Ballyliffin in County Donegal

under par. He thanked club officials and left with a look of envy on his face that suggested his minders were about to be confronted with the questions: who is going to find me a piece of land that matches this one?

The day I played the sun was shining. There was barely a breath of wind. I felt almost guilty standing on some of Ballyliffin's more exposed areas swinging the club freely and with no concern for the weather. There must be days out there when the wind possesses such strength that simply to address the ball would be beyond the efforts of most of us. I would not want to swap for one of those.

Not that everyone was happy on this gorgeous day. On the first tee in front of us, there were two disgruntled Irishmen.

"I don't know how they get away with it," one of them said, to which his friend replied to anyone in earshot: "Bloody disgusting charging £2 for green fees, isn't it?" Clearly some people do not know a bargain even when it is laid out in front of them in all its wonder.

Pedal policy

Mention of pedal cycles in a motoring column is guaranteed to produce a reaction. Even if pro-bike motorists complain – justifiably – about a minority of cyclists who behave disgracefully, they cite riding on pavements; foul language or threats of violence to pedestrians who protest; ignoring traffic signals and one-way streets; and riding unit at night.

Cyclists, also justifiably, complain that some drivers behave thoughtlessly, even aggressively toward them as though they had no right to be on the road at all. The fact is that cyclists have a perfect right to use highways (but not motorways) freely,

although whether they are always wise to exercise this right is open to question. But they also have responsibilities.

Insurance is a prime example. Few cyclists have any, yet a third of the 20,000 odd accidents involving them each year are held to be their fault. In law, they could be responsible for damage and injury, even legal fees.

This Christmas, about 1m children will wobble forth on their new bikes. Many, thankfully, will wear safety helmets. But even more important would be a RiderBike policy (£12 a year for an individual, £20 for the family) bought with the bike from independent cycle dealers.

Last year, 24,800 cyclists became road casualties in Britain, 3,787 with serious injuries. Of 294 who died, 48 were children. While insurance cannot prevent accidents, it can at least make the results of many of them less distressing.

*Information on RiderBike from 061-735 206.

S.M.

MOTORS

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Motoring / Stuart Marshall

Needing to make a name for itself

Mazda's sleek Xedos enters a market in which status is vital

Mazda's bid to get into the lower end of the premium executive car market is called the Xedos (pronounced ke-see-dos). Choosing this name must be a Japanese revenge for all the mickey-taking by foreigners over the funny names the Japanese have given their vehicles in the past, such as Cedric, Violet, Gloria, Cherry, Bongo (yes, I swear it) and Gentoo.

Even when they have thought up a good name, things have sometimes gone

wrong. Wouldn't the Toyota Windham be much better than the Wyndham? But what's in a name? The Xedos 6 1.6i, Mazda's junior sports saloon, (picture), is cast in a similar, if smaller, mould to the Lexus GS300, a BMW 530 rival that impressed me deeply.

At £15,995 for the manual (£16,895 automatic) the Xedos 6 1.6i slips into the lower reaches of the executive market where it costs exactly the same as a BMW 316i Special Equipment, which might or might not be sheer coincidence.

It is sleek and shapely, with



Stepping stone for the junior executive: the Mazda Xedos 6 1.6i is priced at the lower end of the executive car market.

not a straight line or flat surface in sight. From the front, the tiny air intake grille and slit-eyed headlamps make it look like a sleepy Siamese cat with its tongue half out.

In common with the Lexus, the Xedos has been designed to cut through the air with minimum disturbance and, at business motoring speeds, wind noise is virtually suppressed at source. Perhaps this made me aware of the tyre roar on coarsely textured surfaces. But, apart from this and an

occasional buzziness at high revolutions in the gears from the smooth-running and vigorous 16-valve engine, I rated the Xedos 6 1.6i a compact and comely car with delightful manners.

Just as Lexus GS300 buyers or user-choosers may well graduate to an LS400 as they move higher up the management ladder, the 1.6i Xedos 6 will be a stepping stone. Next in line is the two-litre, V6-engined Xedos 6 which leads up to the flagship of the

Jaguar has been well established.

Although Lexus LS400 sales increased during the recession while those of most of its competitors fell, the name – unlike those of its European rivals – still does not have instant recognition. Xedos is even less familiar.

The biggest hurdle Lexus and Xedos have to leap is entirely subjective. When executives choose new company cars, status might well rule higher than performance. For years, the business and social credibility of makes such as BMW, Mercedes and

FOOD AND DRINK

Distinctly upper crust

Philippa Davenport samples the foreign flavours on Britain's bread boards

Britain might not be the gastronomic centre of Europe but it scores closer to the bullseye in one respect than many other EU neighbours - bread.

Eating in hotels and restaurants on the continent, I have been struck by the omnipresence of side plates laid with cardboard cut-out rolls that bear no resemblance to real bread. They are lightweight, anæmic, textureless and tasteless. In Britain, however, any eating establishment with a mite of pride takes the trouble nowadays to welcome diners with a choice of increasingly good breads.

Shopping for bread also has

become fun and, for variety alone, Britain seems to have become the bread basket of Europe. Yet, sliced white was the norm less than 15 years ago; indeed, sliced white was the *only* bread on offer in many outlets - a fact so depressing that it prompted Michael Bateman and Caroline Conran to launch a campaign for real bread in the *Sunday Times*.

Now, mills are being restored busily, village bakers are bouncing back and supermarket bakery sections are expanding faster than Chorleywood dough. The whiff of freshly baked bread wafts from in-store ovens and cash tills are ringing merrily.

Lincolnshire plum bread, Irish soda bread, Scotch pancakes and barley bannocks are all selling well but, above all else, the trend is international. Look along the shelves and you will see loaves with claims to French, Spanish, Portuguese, Italian, German, Greek,

Armenian, Russian, Indian and other foreign origins. Every week, newcomers swell the ranks of this bready tower of Babel. Only yesterday I spotted a label that made me laugh out loud: "Mediterranean bread" imported from Canada.

There is a lot of good bread in Britain now and a lot of absurdities. Some designer breads coming into the shops are a triumph of style over flavour.

Parallel with all of this, interest in home baking is growing apace and two new books are devoted to the subject. One is *The Complete Bread Book*, by Gail Duff (Pavilion £17.99), subtitled "150 traditional recipes from round the world." Duff is a competent cook, noted for her wholefood and vegetarian writings.

The other is *The Bread Book*, by Linda Collister and Anthony Blake (Conran Octopus £9.99). It is subtitled "a step-by-step guide to making over 130 delicious breads" and appeals more to me than Duff's partly because it does not attempt to cast its net so wide.

Blake is one of those photographers who is so good at illustrating the written word rather than seeking to dominate it. Collister is an accomplished baker and totally trustworthy as a recipe writer. She inspires confidence by virtue of her quiet, unflamboyant style and attention to detail.

She always mixes and kneads dough by hand "because I enjoy it physically." She accepts, though, that others may prefer to use a food mixer and a dough hook. Similarly, although she would always choose fresh yeast, she acknowledges that others may

find dried yeast granules or easy-blend varieties more convenient. Accordingly, she has tested her recipes using these sorts of yeasts as well.

Although the majority of breads in this book are raised with yeast, unleavened breads are included, too. There are also quick breads made with baking powder (or bicarbonate of soda plus cream of tartar or acidic liquids) and sourdough breads, the chemistry of which

best sliced thinly and should be eaten within one week.

For the starter: 8 oz stone-ground wholemeal bread flour; about 6 fl oz lukewarm water.

For the sponge: 5 fl oz lukewarm water; 8 oz unbleached white bread flour; extra flour for dusting.

To make the starter, put the wholemeal flour in a small bowl and make a well in the centre. Pour in the lukewarm water and mix to make a very thick batter. Cover with a damp tea towel and leave at room temperature for three days, re-dampening the towel each day so the batter absorbs the natural yeasts in the air. After three days, the starter should be smelly, grey and only slightly bubbly.

To make the sponge, pour the starter into a large mixing bowl. Stir in the lukewarm water and add the white bread flour. Beat with your hand for about one minute to make a thick batter. Cover with a damp tea towel and leave at room temperature for 24-36 hours until it is spongy and slightly bubbly. The longer you leave the sponge, the more pronounced the taste will be.

To make the dough, stir the sponged batter well. Beat in the remaining water and the salt, then mix in enough of the remaining white bread flour to make a soft but not sticky dough.

Turn out the dough on to a lightly-floured work surface and knead for 10 minutes until firm and elastic. Return the dough to the bowl, cover with a damp tea towel and leave to a

rise at normal temperature until almost doubled in size, eight-12 hours.

Knock back the risen dough. Cut off 6-8 oz and set aside for making the next starter (see below). Shape the rest of the dough into a ball and put it into a round basket 9 in wide and 4 in deep that has been lined with a dry, heavily-floured tea towel. (Use a greased 2 lb loaf tin if you prefer, or place the ball of dough directly onto a baking tray).

Cover with a damp tea towel and leave to rise at normal to warm room temperature until almost doubled in size, about eight hours. Subsequent batches may take less time.

Pre-heat the oven to 220°C/425°F (gas mark 7). Invert the loaf in the basket onto the baking tray. Using a sharp knife, slash the top of the loaf four times. Do not drag the knife or the loaf may collapse.

Sprinkle with flour. Bake for 20 minutes, then lower the oven temperature to 190°C/375°F (gas mark 5) and bake for 35-38 minutes longer until the loaf sounds hollow when tapped underneath. Transfer to a wire rack and leave to cool completely.

To keep a starter for the next batch, put the reserved 6-8 oz portion of dough into a greased plastic bag and store in the fridge for up to three days, or leave the dough in a small bowl covered with a damp tea towel at normal room temperature for up to two days, re-dampening the towel each day.

To use, start at the sponging stage in the recipe above; you will have to add a little extra lukewarm water to make a thick batter. Proceed with the recipe.



Lionel Pollaine with the sourdough loaves made popular by his family in Paris. This is just one of the many evocative pictures in "The Bread Book", by Linda Collister and Anthony Blake (Conran Octopus, £19.99, 192 pages).

Bourbon? Take it out of Kentucky

Giles MacDonogh raises hell in bluegrass country

Were I to play devil's advocate in Louisville, Kentucky - a risky thing to do - they would almost certainly have me run out of town because I would suggest two important changes in the way Bourbon whiskey is made.

Firstly, I would abolish the rule that the spirit may only be matured in new white oak casks. Secondly, I would shift production several hundred miles to the north, to the Canadian border, a place cool enough to allow the whiskey to mature in peace.

Bourbon is a prisoner of its own packaging: new white oak, charcoal filters, and Kentucky. In the last century, and the first few years of this, it was virtually indistinguishable from "white dog" or moonshine. This course, backwards,

man's dram was derailed by Prohibition. There was no time between the repeal of the Volstead Amendment and the outbreak of the second world war to build up mature stocks of Bourbon which means that the earliest properly made whiskies were bottled during the second world war or just after.

I was fortunate enough to sample one of these at United Distillers' big distillery complex in the suburbs of Louisville.

When Bourbon emerged from its big sleep, it did so with all the gaudiness of new oak and indications of great age. In reality, however, age is not a good sign when it comes to Bourbon.

The sun burns brightly in the long Kentucky summers and the whiskey is fairly grilled in the gaunt, corrugated iron silos which are a distinc-

tive feature of the landscape. The spirits lodged under the rooftops lose volume at an alarming rate. It has long been held true that the best Bourbon is the "middle cut", barrels housed half-way up the multi-storey warehouse, where they are best protected from the heat.

As the whiskey reduces in cask it absorbs more and more of the flavours and tannins in the white oak casks. At around six to eight years it achieves a sort of balance where it is not too oaky or peppery. When the cask and whiskey flavours have agreed to some sort of marriage it makes the Bourbon good to drink. Left for longer it gets forbiddingly peppery and woody.

The 28-year-old Bourbon I sampled at the independent Heaven Hill distillery was like chewing on a mouthful of



splinters. Another drawback, when it comes to Bourbon, is an obsession with filtering.

If one were to believe the contents of the current advertising campaign for the Tennessee whiskey, Jack Daniels,

the stuff would be so hygienically treated that it would be indistinguishable from cask-aged vodka. Filtering takes the goodness out of all alcoholic drinks. Booker Noe is aware of this and this is why his very

special whiskey - Booker's - is unfiltered.

Booker Noe is the grandson of Jim Beam, one of the distillers who pioneered the rebirth of Bourbon after Prohibition.

Booker was chief distiller at

Jim Beam until recently. Now his son, Fred, is being groomed for the job. Fred has an agreeable frankness when it comes to Bourbon. As we went through the distillery I pointed to the heavy filtering process going on before bottling. "That's why daddy's so fond of his Bourbon," he said. "The filtering was introduced in the 1980s. The old boys say the whiskey don't taste like it used to. We don't make it like we used to," he adds candidly.

Booker Noe is one of Kentucky's living legends: a colossus of a man who lives in patriarchal style surrounded by his family.

His job is to select the very best whiskies from the Jim Beam distillery which are issued as single-cask Bourbons.

Booker's is issued at cask strength in very limited quantities and sells in the US at around \$45 (£30.20) a bottle. It is wonderfully complex for a Bourbon: an eight-year-old whiskey from the middle of the warehouse with tremendous depth of flavour. Booker also selects the other cask-release Bourbons for Jim Beam: Basil Hayden, Baker's and Nob Creek.

Jim Beam is not the only Bourbon distillery to issue sin-

gle-cask Bourbons. Ancient Age has had a notable success with Blantons and their rare (I was unable to put my hands on a bottle) Rock Hill Farms label is consistently cited as one of the best on the market.

None of these single-cask Bourbons is widely available in Britain.

The best you'll find here is a high strength whiskey such as Wild Turkey 101 (50.5 per cent), or Makers Mark from Kentucky's most picturesque (almost "boutique") distillery in Loretto. The higher strength works better for Bourbon as the flavours appear to marry up better.

Makers Mark is a Bourbon which uses a small percentage of wheat together with the predominant corn and malt in its mash tub (another is Rebel Yell). This may well be responsible for the impressive, familiar length of its taste on the palate. What is more the flavour of the whiskey seems to win out over the cask for once, but then, I have probably said enough.

Makers Mark is available from Harrods (071-730-1234) or Selfridges (071-625-1234) priced around £21. Harrods also sells the Wild Turkey 101 at £22.25.

Wine snobs: don't you absolutely hate 'em?

Jancis Robinson defers to a man of taste

background, and should by rights have become an affable but down-panstrid wine merchant. Raised in the leafy lanes of Surrey, he joined Culver's, his family's firm of licensed grocers, as a young, failed accountant, in 1971. The next year he had "an amazing experience". He tasted La Rioja Alta's Viña Ardanza 1964 and realised that top-notch wine existed outside Bordeaux and Burgundy (a fact acknowledged by remarkably few of his peers 20 years ago).

On holiday in California in 1973 he could hardly believe the quality of wine made there (compared with the produce of Europe in its pre-technological age). Culver's customers were soon introduced to names such as Robert Mondavi and Christian Brothers.

He would always taste and then try to put a price on a given wine. "If I could still make a margin on it, then I'd buy it," was his philosophy, regardless of the French or nothing mindset then prevailing.

The first edition of the *Standard London Restaurant Guide* (1979) is disappointing. Although it benefits from two authoritative, incisive writers, Fay Maschler on food and Andrew Jefford on wine, and has the clout of a big organisation behind it, it was left with two nagging questions. Why did it cost 50 per cent more than the other two London guides and why does it cost so much to have such a smelly plastic cover?

This year I have overcome two major reservations against the *Time Out Guide* (1989) and use it more than any other London guide. Its cover too is awful - as is the *Good Food Guide* - and its A4 size is inconvenient. But it is comprehensive, including a down-to-earth account of a meal in London's only Burmese restaurant, Maymyo in Herne Hill, and its area index, with restaurants listed by area and then by cuisine is highly practical. Most of all, I appreciated its breakdown of London restaurants by cuisine. It made me realise that if one is tired of eating out in London one is tired of eating out.

James Rogers could not have

gained a place most customers would need an atlas to locate. "It was fascinating how that became so successful," remembers Rogers. "I told all the shop managers to tell their claret-loving customers to serve it in a decanter and see that their friends thought of it. They loved it."

Bottles from Australia and New Zealand followed in 1981 and Rogers became the first non-scriber to win an important award for spreading the wine gospel to the consumer - appropriately enough, from Marques de Caceres, an innovative Rioja producer. And then in 1985 Culver's was taken over.

Since then Rogers has been a consultant for importers Enotria Wines and the Barnes Wine Shop, has written for Off-Licence News, devised wine courses, and has been very ill.

At one stage he could not even drink but continued to make wine judgments with confidence using his nose. "I'm surprised more people don't taste on the basis of smell alone; it gives the last wine-as-far as a chance as the first." That reflects his philosophy towards both wine and illness, fairly acutely.

But his tastes in wine continue to evolve, as of course does the world's wine output. "I have had a love affair with Rioja, with New Zealand Sauvignon, with Australian Chardonnay (I remember a Brown Brothers 1978 that made me think that the Aussies were going to rule the world), but I have come back to fitness. You

can't beat the French for sheer finesse, just as you can't beat the mystique attached to their labels.

"I'd love to observe two otherwise identical dinner parties where one lot of people is told they'll be served a first growth claret and the other lot are just given it in a decanter without comment. I bet you'd get two completely different reactions." This is typical of someone who cares about what is inside each bottle rather than its external baggage.

In his wine merchant existence, Rogers may have argued that, compared with the nose, the eye is virtually redundant. But in the last year or so he has harnessed his own eyes to a camera to such good effect that an exhibition of his photographs is being held at Newton's restaurant, 33 Abbeville Road, London SW4 (081-673-0977). It opened last Monday and all proceeds go to a fund being raised by Rogers for those who nurse the terminally ill at St Mary's Hospital, Paddington, London.

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Guide to the food guides

service but an easily detachable fax report form would also be a help.

The Consumers' Association has released Tom Jaine, the editor, from his contract and spent several months searching for a suitable replacement.

Over much of risotto with clams and oxtail en crème with poached potatoes at Auberge, London, SW10 (tel: 071-532-3449) Jaine explained why editing a national guide was becoming increasingly difficult. While standards had

risen sharply in London, and culinary fashions have come and gone during his five-year tenure, outside the capital a gastronomic vicious circle prevails.

This was created, Jaine felt, by special event eating. Outside London, people tend to eat less frequently and only when the occasion demands a birthday, anniversary or wedding. Restaurants have two to three busy days and nights a week, usually at weekends, and so keep prices high. High prices stifle demand, people therefore go out less and the circle is perpetuated. Jaine's gloomy prediction was that in the future only hotels and pubs may survive outside London. (A recent Gallup survey found that the British public prefers staying in and watching television to eating out.)

The invaluable independence of the *Good Food Guide* becomes obvious when it is compared with its competitors. The *Egon Ronay Guide* sponsored by Cellnet (£13.99) is the most comprehensive, though it would appear to close collaboration with the American Express database, but the print is small and the spine and binding inadequate. The *AA Best Restaurants in Britain* (£11.99) is sponsored by Abbey Well water and, although the print is clear, the maps are surprisingly poor and the decision to list all restaurants beginning with T together - The Dorchester, The Ivy, The Savoy, plus the surprisingly not The Ritz - I found confusing.

The Ackerman Charles Heids-

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Where the sun god rides the heavens

Nick Haslam visits India's east coast state of Orissa and the town of Puri, a major centre of pilgrimage for Hindus

On a raised embankment deeply shaded with cashew nut and jacaranda trees, the road ran through emerald green paddy fields. Sarclad women stooped among the waist-high rice, and white egrets perched on the backs of wallowing water buffalo. The air was a heady mixture of pepper flower, woods-moke and dung.

Passing a road-side temple, where a smiling goddess sat wreathed in marigold flowers and incense, our driver brought the Ambassador car to a halt. Excusing himself, he stepped out to make a small offering and to receive a dab of red dye in the middle of his forehead from a small boy in attendance. "The goddess Batamangala," he said. "She protects travellers on the road."

Since survival on the crowded narrow road to Puri seemed to owe a great deal to divine intervention, I thought that Batamangala must be one of the more overworked goddesses in the immense Hindu pantheon.

On the east coast of India in the state of Orissa, Puri is one of the major centres of pilgrimage for Hindus who come to worship at the temple of Jagannath, Lord of the Universe and one of the most powerful Hindu gods.

The wide main street of the town was packed with a mass of cycle rickshaws, sacred cows and white-robed pilgrims, with staves and sleeping rolls slung on their backs. I got out and walked, passing roadside stalls piled high with small wooden replicas of Lord Jagannath, a simple doll-like figure with raised arms and wide staring eyes.

One group of pilgrims, small wiry men with aboriginal features who were happily bargaining for a set of cooking pots, told me they had just come from Nepal and had been more than a year on the road visiting holy places.

The temple of Lord Jagannath, a massive walled structure of grey stone, was surrounded by a labyrinth of small streets crowded with pilgrims, holy men (*sadhus*) and beggars. The main tower rose to more than 150 ft, from which long streamers floated languidly in the evening sky. Only Hindus may enter, and I was motioned to a building opposite, the town library, where a gallery overlooked the main wide street of Puri.

Below us, a constant stream of the faithful passed through a vaulted arch into the temple; on its



To be a pilgrim: these Hindus plan to worship at the temple of Jagannath, Lord of the Universe and one of the most powerful Hindu gods

ramparts monkeys gambolled and scratched themselves in the gathering dusk. Smoke rose from the many cooking fires inside the compound, where 6,000 temple attendants are permanently employed in building the huge cars which every year sail forth from the temple carrying the images of Lord Jagannath and his brother and sister down the main wide street of Puri.

The vast canopied cars, which have given the word *juggernaut* to

the English language, are more than 50 ft high. They weigh 100 tons, need 4,000 men to move them, and are destroyed after the procession each year. Formerly, the faithful - worked up to fever pitch during the processions - would throw themselves under the wheels, to be sure of an instant passage to paradise.

Even today, my guide told me, the people still mutilate themselves during the procession. Looking

down at the heaving throng, it was difficult to imagine what it must be like when Puri fills with more than 500,000 pilgrims for the festival.

To escape the noise and confusion, we repaired to the South Eastern Railway Hotel for tea. Only half a mile from the temple, we seemed to step back into an older and more tranquil era as we entered. A long low building with wide verandas overlooking the Bay of Bengal, its

walls are lined with hunting trophies shot by officers of the Raj.

A row of tall doors opens on to the trim lawn, giving glimpses of large beds swathed in mosquito nets. We sat on the veranda in rattan chairs under a fan and a turbaned waiter brought us tea, with fish paste sandwiches and saffron cake, a combination that brought back dim memories from childhood.

Behind us, a door led to the billiard room, and around a small port-hole let into it at eye-level, bright

red letters proclaimed the truculent command: "Wait for stroke." We bade farewell, the carefree flunkie who barged through that door at the wrong moment all those years ago. As we talked, bats flew overhead and the high cumulus hanging over the oily limpid waters of the Bay of Bengal changed slowly from lilac to purple as the sun went down.

All visitors to Orissa are duty bound to visit the temple of the sun

god at Konarak a few miles up the coast from Puri. The temple, which rises from the dunes like a huge jagged molar, depicts the 24-wheeled chariot which draws the sun god across the heavens. It was built in the early 13th century and lay in ruins until 1904, when sand and drifts around its base were cleared and the beautiful carvings of the chariot uncovered.

Also laid bare for the first time in centuries was an elaborate and highly detailed frieze of erotic carvings. The guide was rather coy about the religious significance of the "enthusiastically" coupling groups, and would only say that they were symbolic of the act of creation. The temple, which would once have been a place of pilgrimage to rival Lord Jagannath, was crowded with tourists.

Venerable grey-haired *sadhus* under black umbrellas struck poses and then demanded a few rupees. Large Indian families dawdled in the pools of shade cast by the buttressed temple, the women elegant in bright saris, seeming not to look too carefully at the frenetic activities frozen for centuries in rock above their heads, while their husbands and sons peeked and giggled, taking the occasional snapshot.

That afternoon was to be my last in Puri, and I decided to go for a swim. Nothing is done by halves in India, and I was escorted to the beach of the hotel by a porter carrying a sunshade, the guide - and a lifeguard. Nearby, fishing canoes were landing the day's catch, and I went over to see what they were bringing in. Fine-featured village women bargained hard with fishermen for the catch, which included shark and stingrays.

I asked if it was safe to swim. "Oh yes, sir," the lifeguard said. "Sharks are not available in shallow waters." We left the fishermen and returned to the private beach. Before entering the sea, I noticed the lifeguard standing and muttering with his hands held together.

"I prayed to Baruna," he told me. "As I plunged into the warm surf, 'The sea god.' Never, it seems, is the divine very far away in India.

■ **Nick Haslam's visit to Orissa was arranged by the India Tourist Office, 7 Cork Street, London W1X 1PB. Tel: 0171-3677113. Places to stay in Puri are the South Eastern Railway Hotel, Chakravir Road, tel: 06753-2063, where a double room and full board costs £13; and the Toshali Sands, Konarak Marine Drive, tel: 06753-2388.**

Information about entertainment can be found in the Friday edition of the *Washington Post* and the weekly *CityPaper*. Half-price tickets to most events, including sport, can be obtained on the day of performance from *Ticket-Place* in the lobby of Lisner Auditorium at 21st & H Sts NW (tel: 202 TIC-KETS for information).

Brochures, free maps and advice are available at the Washington Visitor Information Center, 1455 Pennsylvania Avenue, NW, or tel: 081-392-9187 in the UK. Companies offering short-breaks and longer holidays in Washington from the UK include: United Vacations (081-313-0999); Kuoni Travel (0306-742222); British Airways Holidays (0293-615353); and North America Travel Service, which has offices in Leeds, Nottingham, Manchester and Barnsley.

Practical Traveller: Washington / Angela Wigglesworth

Purpose-built on a swamp

streets are numbered, east/west have letters. There are Tournor sightseeing buses, old Town Trolleys - you can get on and off as often as you like - and Metros. (Metro information: tel: 202-637-7000 for advice).

Metro (a one-day pass costs \$5) is possibly the cleanest subway system in the world - some parts have carpets - and easy to follow. Taxis are reasonably priced. (A taxi driver from Sierra Leone told me he thought the US was still the only place where dreams came

true, but advised against venturing into Washington's derelict eastern areas). There are riverboats, canal barges and helicopter flights.

Hotel rates are lowest at weekends, around holidays, during mid-winter and late summer. Many offer free rates for children. The Washington DC Convention and Visitors Association has lists of all categories of accommodation, and bed & breakfast (luxury and budget) can be booked through agencies, though there is a booking fee.

Fitness enthusiasts are well-ca-

tered for in several hotels. The ANA Hotel's superb health centre (2401 M Street, NW) covers 16,000 sq ft and is packed with gadgets; there is an exercise physiologist on the staff. The Capital Hilton has jogging routes in its centre, and 250 non-smoking bedrooms.

Washington has more than 50 museums and 70 art galleries, almost all of which are free and open seven days a week. The Smithsonian National Air & Space museum - nearly 8m visitors a year - is the world's most-visited

museum, while the national museums of natural and American history are not far behind.

The White House, the only head-of-state mansion in the world open to the public without charge, is 15th in visitor popularity, while the Smithsonian's Anacostia museum comes to the aid of the museum-weary with a free bus which makes three round trips to its other museums on the National Mall.

Several new museums worth noting: the US Holocaust Memorial museum (Independence Avenue

and 14th St, SW); the National Postal museum (City Post Office Building, Capitol Hill); the Smithsonian's Freer Gallery of Art (1200 Jefferson Drive, SW), which has a collection of work by Asian and 19th and 20th century American artists. The Department of the Treasury offers one-hour guided tours on Saturday mornings - a week's advance registration is required (tel: 202-622-0896), plus photographic ID on the day. Not new, but worth visiting, is the Pentagon (202-635-1776).

Information about entertainment can be found in the Friday edition of the *Washington Post* and the weekly *CityPaper*. Half-price tickets to most events, including sport, can be obtained on the day of performance from *Ticket-Place* in the lobby of Lisner Auditorium at 21st & H Sts NW (tel: 202 TIC-KETS for information).

Brochures, free maps and advice are available at the Washington Visitor Information Center, 1455 Pennsylvania Avenue, NW, or tel: 081-392-9187 in the UK. Companies offering short-breaks and longer holidays in Washington from the UK include: United Vacations (081-313-0999); Kuoni Travel (0306-742222); British Airways Holidays (0293-615353); and North America Travel Service, which has offices in Leeds, Nottingham, Manchester and Barnsley.

Skiing / Arnold Wilson

Just watch this face

Thank goodness I had a bath this morning. A grown man is lying on the floor poking at my feet, his face millimetres from my right big toe. His name is Dion Taylor, he comes from New Zealand and his mission is to find a pair of ski boots that fit me. Since my feet - as I was once told - are like pears, this is no easy task. We settle for Koflache, the RC307 "trouble shooter".

"We bought this boot specifically for people who suffer from problem feet," says the Snow + Rock ski company catalogue, ominously. "To be honest I'd like to put you in Salomon, but Koflache are better for your shape of foot," says Taylor, a top man at Snow & Rock, which is supplying equipment for the 1994 FT Round the World Ski Expedition, during which I will be skiing every day for a year."

Next to me, my sitting companion Lucy Dicker is poking her feet prodded by another Koflache, "Johnno" Carnichael. Lucy, you've got very high arches and you pronate a lot," he says. "The more you feet roll inwards when you walk, we'll compensate for that with our High-Definition Sides inner soles moulded to your foot."

The next stage is to have our boots fanned, and then equipped with Winter Heat pads - a bit cissyish, but a few

comforts will not go amiss since we will be spending all of 1994 in these boots. Foaming makes them fit snugly but means getting them on for the first few days is a desperate struggle.

What else? A tough pair of Sorel boots for our evening walkabouts; an Ortovox Stratus rucksack and avalanche shovel; Pies Dual Frequency avalanche transceivers; WRS Sports Med back-supports (sets to you and me) and Gull knee sleeves for support.

Then there are Gator fleece-lined face masks; Casio altimeter, barometer and thermometer watches; Avocet altimeters; Ski Domeseters to clock speed and mileage; security ski locks; and powder braces to prevent us from skin in deep powder. Oh, and some skis: Salomon and Elan; and Lutah and Dene 7 and 8. With everything on, we resembled walking ski shop.

Next stop: the Bio-Mechanical (BiMA) Laboratory at Hammersmith, West London, where physiotherapists to the stars, hold court. Will Carling, the England rugby captain, is working out a few feet away when we started training on a Cybex 340. It sounds like a death ray, but it is helping Carling sort out a problem hip and, hopefully, will help us. You sit in what looks like a



jet pilot's seat and a metal caliper is strapped around your lower thigh. This device, when linked to a computer, checks the strength of your hamstrings, quads, and abductors and adductors and targets one of these for strengthening or recovery from injury with a programme of weight training.

"Very often energy is wasted by an inefficient style or limited by injury," explains Watson. "Cybex will pin-point any weakness in strength or symmetry and can even be used to diagnose certain medical conditions."

Lucy and I had mixed initial diagnoses - basically Lucy was simple and I was strong. "Your overall flexibility was extremely high," Watson told me. "But the strength of your stomach muscles could be better," he said. Watch this face.

■ **Snow + Rock: 163 Kensington High Street, London. Tel: 071-937 0872. BiMA Clinic: 7 Glenthorne Mead, 115a Glenthorne Rd, Hammersmith, London. Tel: 081-741-9711. Clarins at Neville Daniel, 25a Basildon Street, London. Tel: 071-245-6151.**

Sharp weather concentrates the mind, and the past week raises questions of frost and damp. Despite appearances, though, the frosts have not been so lethal as weather-beaten souls inclining us to think.

I measure them by the scale of 1991 when frost at the same season damaged many of my half-hardy plants, including penstemons, beyond recovery. This year, their top growth is unscathed, partly because the previous weeks had been colder and their growth had slowed already. I had also taken a precaution, which I recommend.

Just before the freeze, I double-wrapped my marginals in that great newcomer to garden centres, Fibre Fleece. This is a thin, white drape, like a nylon scarf, which takes many degrees off the frost or wind while allowing water to pass through and reach the roots of plants underneath. Now, we can wrap up vulnerable plants without exposing them to drought or rot. Thanks to Fibre Fleece, I still have unscathed silver convolvulus, living diascias and last year's verbenas.

Fibre Fleece comes in amply-priced packs for people with a few plants which they treat like pets. Those with bigger gardens should look for the large rolls at the back of the store: otherwise, they are available from such trade suppliers of garden goods as Joseph Bentley on Houndsditch. Owners of bigger gardens need to shop around.

I wish there was a similar fleece that would cope with the problem of damp. Between now and March, this is as much of a killer as frost, but we hear less about it because its effects are more haphazard.

The thaw after a hard frost begins the problem. The frost upsets the fleshy leaves on plants like the blue-flowered agapanthus; but the lethal consequence is the damp, which then sits on the main crown and causes the plant to rot.

The other day, I read an expert who was saying that my late Arthur Hellyer instead. He had had land-drained and herring-drained more square rods of soil than any of us.

What, then, does Hellyer recommend for beds which are turning into a swamp? His Gardening Encyclopedia (the 1993 edition is published by Hamlyn at the remarkably low price of £14.99 for 784 pages) is clear. The other day, I read an expert who was saying that my late Arthur Hellyer instead. He had had land-drained and herring-drained more square rods of soil than any of us.

Certainly, a system of trenches is the answer to a poorly-drained area, but the cheapest possibility is to trust Hellyer and choose a faggot drain instead. This under-publicised option has much going for it. You find your faggots, lay them end to end. In the trenches, cover them with turf (placed with the grass downwards), and then replace the topsoil to cover the burial.

"Well-inside faggot drains will remain effective for years," says Hellyer. In our fidget-minded generation, though, most of us probably have forgotten about them.

The question arises: where do you find a suitable faggot? Country residents will have no problems: they need only to cut bundles of brushwood from a hedgerow, choosing hazel wherever possible.

These bundles can be dropped into the trench, but you need to be sure the wood is not too soft or short of side branches. Then, you surface with turf and replace enough soil for a decent cabbage on top.

If you cannot find it, faggot it: damp, at least, can be drained away, whereas frost retains the unpredictability which caught us all short this week and makes winter survival such a hazard.

Gardening / Robin Lane Fox

Digging in to stop the rot

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and uncompromising. On wet land, dig narrow trenches about 12 ft apart down to the level where the sub-soil becomes a pan on which the water sits. I have had a trench dug, I still have unscathed silver convolvulus, living diascias and last year's verbenas.

On a larger scale, I find the problem more perplexing. How, for instance, do you deal with endemic damp all over a flower bed? The only answer

HOW TO SPEND IT

Designer grunge

Shabby has long been chic but seldom more than now. As fashion designers scour flea markets for inspiration, as Rei Kawakubo - the name behind the Comme Des Garcons fashion label - goes to infinite (and expensive) lengths to imbue even the newest of her creations with an air of faded antiquity, as dressing down is very much the order of the day, so, too, is dressing down the house. Grunge has hit the drawing-room.

For those who find their own grunge hard to improvise a company called Shabby Chic has some of the answers. Shabby Chic sells... ready-shabbied sofas. Those of you whose sofas have over the years developed a shabby chic of their very own - dogs, children, buffet suppers - need read no further. Those of you who have (so) sofas that still look shamming new might like to hurry down to Shabby Chic. I would not want to mislead you into thinking that just because chic has turned shabby it has also turned cheap - dear me, no. Shabby Chic sofas and chairs, homing in as they do on generosity of size, cost much the same as new ones.

What they offer instead is

that air of having been bashed about, lounged on, snoozed in by generations of well-upholstered ancestors - with a Shabby Chic sofa, nobody would ever accuse you of being one of those upstarts who had had to buy their own furniture.

Shabby Chic's sofas all come covered in loose-covers of plain Jacquard cotton specially dyed to look faded. They are also pre-shrunk and pre-washed so

Lucia van der Post finds just what you need: a shabby sofa

they can just be tossed into a washing machine when the shabbiness finally deteriorates into squalor.

Shapes are plain, simple and traditional. Alicia, which is photographed here, is the largest, coming in two, three and four-seater sizes and costing £1,985, £1,984 and £1,985, respectively, for the beech-framed, foam-filled version, including the scatter cushions. When sprung with horse-hair and made entirely from natural materials, the name changes mysteriously to Clarissa and

the price rises spectacularly to £2,590 *without* scatter cushions. You might have thought that the British would do shabby better than anybody else. I have to tell you that when it comes to proper shabby chic this first British version is beaten into a cocked-hat by its ultra-chic transatlantic counterpart (which it is not officially related).

When I stumbled on Shabby Chic in Manhattan's cool down-town SoHo last year at first I thought it was a second-hand shop. Seriously faded floral covers, chairs with authentically lumpy seats and bunches of dried flowers that looked as if they had withered on the stem right there were were spread about a suitably tatty interior.

Just as I settled in for a good old rummage among the bric-a-brac it came to me in a flash - it was all new. Old 1980s-style grits and glamour may have gone - but the demand for immediate gratification, it seems, has not. Even shabby can be provided instantaneously - at a price.

■ Shabby Chic is at The Plaza, 335 King's Road, London SW10 0TZ; tel: 071-352-7788. It will deliver all over the country. A catalogue should be ready in three to four weeks.

What they offer instead is

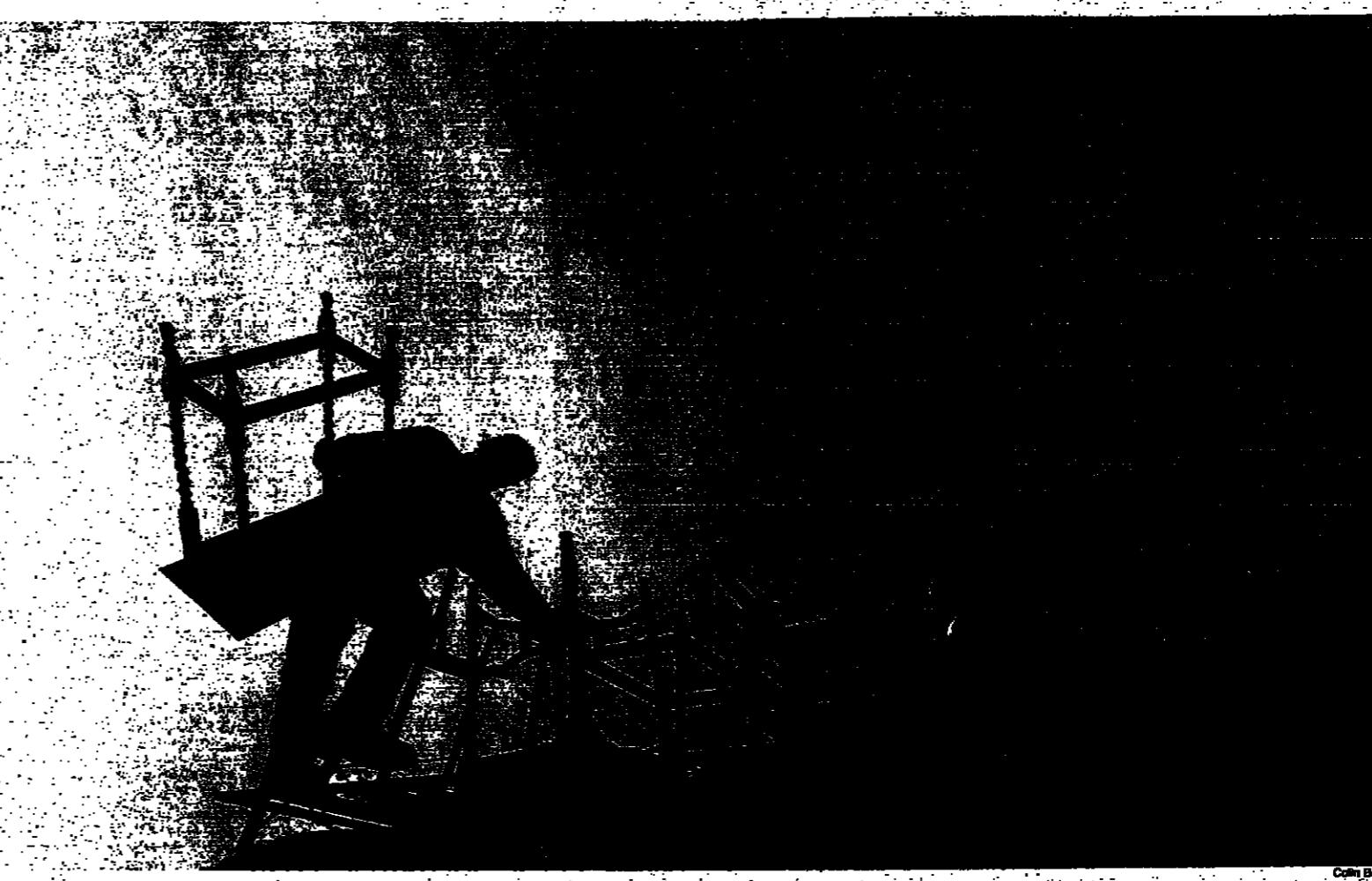
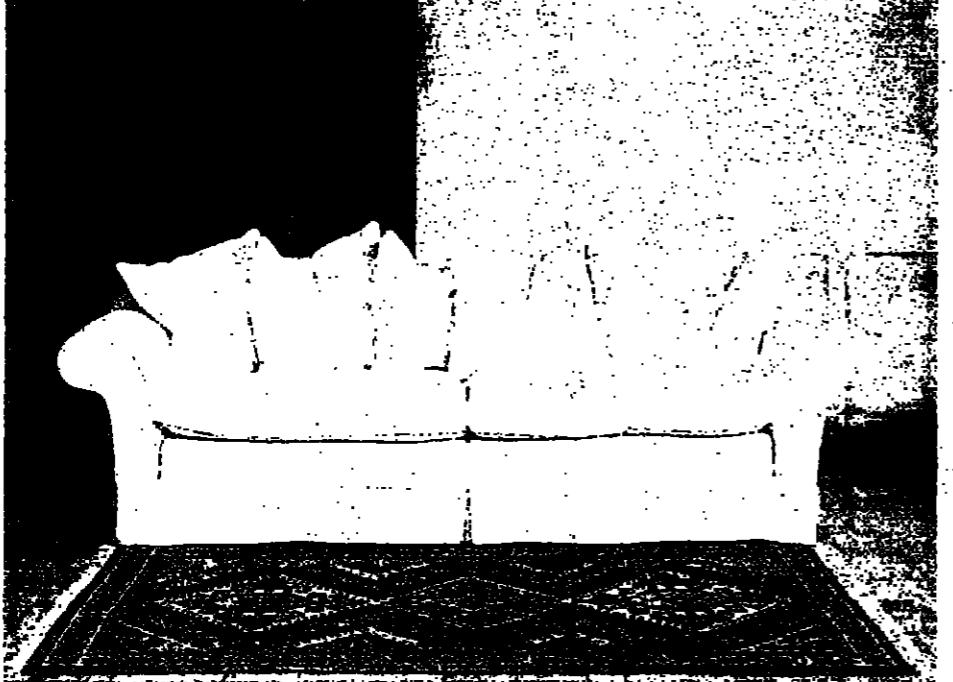


Table mountain: antique dealers prepare for one of the year's last big sales.

Treasures galore at the ultimate cash and carry

Next Saturday night hundreds of vans and trucks will roll on to a disused airfield in rural England in preparation for one of the last big sales of the year - the International Antiques Fair.

Dealers from across Europe will have been arriving since dawn and the cavalcade is expected to continue throughout the weekend as container-loads of antiques converge on Newark in Nottinghamshire.

Trucks will be marshalled into position on a runway where 50 years ago Polish pilots from 301 Squadron landed their bombers. Like

those airmen, the dealers have their cargo with care - antiques, like bombs, rarely survive breakages.

Unwilling to leave the valuable unguarded, many of the drivers will sleep in their vehicles until trading begins on Monday. They arrive early because pole position can make the difference between clearing their stock and not selling a thing.

Although the fair does not open officially until mid-morning on Monday, most dealers start selling by torchlight around dawn. All manner of antiques from fine china to poor reproductions are disgorged on to the runway as the vehicles - lined up 10 abreast and stretching for more than 1,500 metres - are open up.

This, however, is only the queue for admission to the main selling area - the adjacent Newark and Nottinghamshire agricultural showground. The organisers do not like this unofficial runway trade, but they admit that it is price worth paying because if the airfield was unavailable the congestion would stretch for 16 miles.

Among those queuing will be dealers from as far afield as Valencia, Bavaria and Naples. The reason is simple - turnover. Trade sales at the Newark International Antiques Fair outstrip all others.

This is cash and carry on a grand scale. More than 70,000 people attend the two-day fairs, which are held every two months. They are attracted by the prospect of finding bargains among the wares of thousands of dealers who prefer to do business here rather than in the aggressive London

markets. Newark has also been able to rely on a geographical location close to the antique heartlands of East Anglia and midway between London and York on the Great North Road.

At the last fair in October dealers off-loaded antiques ranging from the sublime to the ridiculous. In one of the sprawling sheds, normally reserved for livestock, a stallholder selling 19th century gold and silver took £25,000 in six hours. No cheques or credit

sales or expensive London shows. We've changed all that."

The success of Newark has spawned other fairs and IACF now operates more than 20 around the UK every year. Earlier this year it attracted the attention of DMG Exhibitions, a subsidiary of the Daily Mail & General Trust and the organisers of the Ideal Home exhibition. After months of negotiation, the Whitaker family sold their controlling

their articulated trucks in an international compound on one side of the fairground. There, they exchange nods and glances with rival buyers from France, the Netherlands, Spain and even truckers working for a South Carolina consortium.

However, the Italians are undisputed masters when it comes to serious buying around the stalls. They work in four-man squads armed with walkie-talkies. The buyer sees what he wants, radios the deal to his controller and, if agreed, a colleague counts out the cash. The other members then pack it up while the buyer moves on.

These squads are setting market trends far beyond Newark. Christie's, the auction house, admits it watches what they are up to. Paul Barthaud, managing director of Christie's auction house in south Kensington, says:

"We always go to Newark. It's a good way of monitoring the market. If the Italians are back into dark furniture we tell our people in Rome, and it sometimes prompts us to develop new areas for auction sales."

Next weekend the Italians will begin arriving again. They will start on the runway, weaving between the makeshift stalls on Vespa scooters which they bring for the purpose.

They know what to look for. Motley collections of old pub signs and buckets of cutlery are ignored. They head straight for the heavily carved furniture, the jewellery and the silver. "They are investing in quality," says Ben Whitaker. "They know there is a market for a bit of nostalgia, a bit of class."

cards were accepted on his 12ft trestle table.

At another stall, an 1850 ormolu table with inlaid bowls went for \$725. "It had lain around for a month without any interest, but went very quickly at the fair," according to the dealer. Outside on the runway, a church spire was sold before the fair opened; nearby a collector haggled over scrap from a famous battleship.

Ben Whitaker smiles at the memory of the spectacle. The young managing director of International Antiques and Collectors Fairs (IACF) knows a good business when he sees one. For him, the antiques trade is far removed from musty shops or lofty auction rooms. He believes it is fuelled by the international dealers who flock to Newark.

"This is the world's best," he says. "In the US dealers trade off one another, so if you see something you like it often changes hands and goes up in price before your eyes. That doesn't happen here."

Roseman, a collector of glass figurines, is an ideal customer.

"The more I spend, the happier I am. There is no budget limit." If he sees something expensive which takes his fancy, he can arrange the cash from an on-site bureau de change.

Other overseas buyers come ready prepared. "The Italians are back into furniture," says one dealer with relish. Drivers from Milan and Rome park

A sale to suit

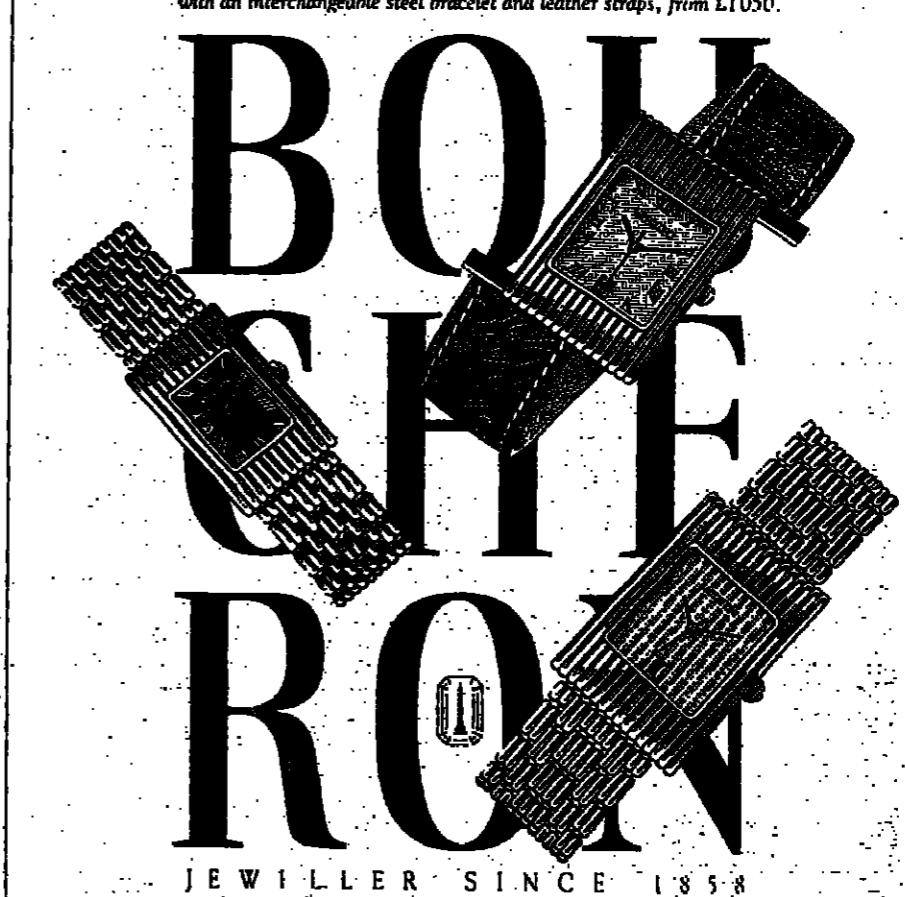
ANYONE who finds him or herself in London next Saturday might like to take note that one of the twice-yearly Menswear Designer sales is happening at the Kensington Hilton Hotel, Holland Park Avenue, London W14.

The women's version of the event has become something of an institution with many a stylishly dressed woman-about-town buying most of her wardrobe needs at one or other of these sales. What they have to offer is designer wear at very reduced prices. Most of the garments are either excess production or this season's designs that have been over-ordered. Everything on sale has to be at least half the shop price or less.

Next Saturday is a chance for the man-about-the-house to replenish his wardrobe. Natty Italian suits (no names allowed but suffice it to say that they come from the biggest names in the land), chic French ones, some English ones, starting at about £100, lots of casual wear, shoes, socks, shirts, jumpers, overcoats - all the staples of the male wardrobe.

The sale is on from 10 am to 5 pm. Entrance fee £2.

Waterproof steel watches, for ladies and gentlemen, with an interchangeable steel bracelet and leather straps, from £1050.



LvP

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CHANEL

HOW TO SPEND IT

Lucia van der Post looks at children's fashions and gift ideas... with a little help from her friends

Santa, may I have a holiday in Hawaii?

If children of any age are on your Christmas list and you are stuck for what to give them, then it might just be worth listening to what the children have to say. Here, SUZANNA DREW-EDWARDS goes after insider information.

So what is it that children really want today? Have playground preferences for trainers and Nintendo moved on or are they still top of the list? Hamleys, where approximately £1bn is spent on toys and games in the run-up to Christmas, is putting the odds on Sega and Nintendo video games as best-sellers this year.

Traditionalists will be happy to know that Lego, Trivial Pursuit, Marvin's Magic and teddy bears also have a place in the top ten. But where better to go for advice than children? Their Christmas lists are surprisingly varied and just occasionally, unobtainable.

Matthew Bushnell, nine years old.

An Airfix model, a calculator, Monopoly, a classical piano cassette tape, an exciting adventure book, a pair of slippers, a surprise.

"I can do Airfix models by myself now, although Dad does still help me a bit - I'm just finishing off a ship. I was given a calculator last year, but it wasn't very good because it broke the first time I used it. I want a tape because I'm learning to play the piano and my slippers have holes in, so I want a new pair to keep my feet warm."

Oliver Bushnell, seven.

A Backgammon set and a padlock.

"I've only got a pocket set of Backgammon and I want a bigger set. I want the padlock so I can lock things and keep them secret from my brother Matthew."

Winona Navin-Holder, nearly three.

Some fairy dust from Peter Pan, Tiny Tears, the Jungle Book video and a Beauty and the Beast T-shirt.

"I want Peter Pan to bring me same fairy dust so I can fly to Never Land and I want a Tiny Tears doll because my friend Georgia has one and she lets me play with her."

Lucy Gosling, eight.

Computer games, a mountain bike, a science kit.

"I'd like some computer games because Daddy's just bought a computer. There's one called Flight Simulator where you have to land the plane, but Mummy says it's very expensive. I want a mountain bike because I've only got a BMX and it doesn't have any gears for going up and down hills."

Thomas Gosling, six.

"Can I have a Playmobil Lorry? And army clothes for dressing up and Scalextric and

that's all."

Rebecca Monk, 12.

Charlotte Mallett, 11.

Football boots, craft sets, horse books, clothes.

"I play football at school and at home with my brother William and I really like it. I already have a candle-making set which I enjoy and I'd like something similar. I want some books which tell you how to care for horses and some horse stories because I've been riding for the last year and a half and for clothes, I'd like some jeans, although not flared ones, some body suits and a chiffon top. I can wear them to discos and friends' parties."

Alice Taylor, nearly four.

Goofy and trip to the North Pole.

"I want Goofy to come on Christmas day and help me open my presents because he makes me laugh and I want to go to the North Pole to see Father Christmas and his reindeer, because that's where Daddy says he lives."

Caroline Prescott, 13.

A telephone line.

"I'd like to have a private phone in my bedroom so that I can ring my boyfriend and not have Mum and Dad listening in while I'm doing it and telling me how expensive the call is."

Alf and Bert Jones, 15-month-old twins.

Too young to speak up for themselves their mother, Chrissie Probert-Jones, says that what Alf and Bert really like are buttons - "they're addicted to them" - so they will be getting nice chunky Aran cardigans with big buttons to fiddle with. They also love toothbrushes so much that they take them to bed with them. Bert has six teeth - all cokers and Alf has four neat ones. They like to have a toothbrush in each hand and tend to fight over them.

"They are fascinated by pens so they'll get a set with safe lids that are hard to get off. They also love noise and adore musical books such as *The Snowman* which a friend gave them last Christmas, so we'll get them another musical book. They love rattling maracas so we'll give them those."

"We're going to give them stockings with very little in them except masses of tissue paper which they can crunch up and envelopes that they can toy with. They are fascinated by electrical gadgets but they will not be getting any of those just yet. They're just beginning to like piling up bricks and to be able to fit things together so I think they'd like something like Lego or Brio."

"Alf can run - he's been walking for two months already - but Bert just crawls but they both love trampolining so they'll get a mini-trampoline from John Lewis. I've given one to many of my nieces and nephews and they've all loved it."



Cute and classic from Eleanor House

Good taste for tiny tots

Strictly speaking, I suppose, clothes do not constitute a child-friendly Christmas present - unless it be the spot-on of trainers, the "must-have" jacket or any other essential part of the tribal uniform.

As a seven-year-old, my own tastes in clothing, indulged by my mother, ran to fairy-tail embellished with silver stars in which I tore around the neighbourhood on my bicycle (fortunately no photographic evidence survives).

Children's tastes today seem infinitely more sober. Good taste has reaped its harvest and at every price there are creamy Aran sweaters, crisp gingham shirts and rompers, sweet Peter Pan collars and infinitely desirable little Viyella dressing-gowns.

Those who deem Christmas a suitable moment to replenish a child's wardrobe will be pleased to know that all this exquisite good taste is available by mail order. Eleanor House is a small opera-

tion based in Gloucestershire which offers just a few, beautifully designed and made-up children's clothes.

Mostly knitwear (see the photograph of the jumpers above) which range in price from £33.90 to £37.90; the matching hats are £7.90, all of it is wearable, desirable and also just that little bit special. There are enchanting navy and cream cardigans for the small set (from six months to two years for between £21 and £25), there are thick Aran cardigans and jumpers for children aged from two to 10 (price ranges from £32.90 to £47.50), some cheeky hats (£9.90) and some round-necked soft cotton shirts from France (£14.50). The catalogue is available from Eleanor House, PO Box 49, Stroud, Glos. GL6 8YA. (Tel: 0453 884192).

Wigglets, 50 Stockwell Park Crescent, London SW9 0DG (tel: 071-738-5124) sells charming nightwear - everything from brushed cotton tartan pyjamas (£22-£28) and dressing-gowns (£22-£41).

choice at almost every price range but it is particularly good at the cheaper end.

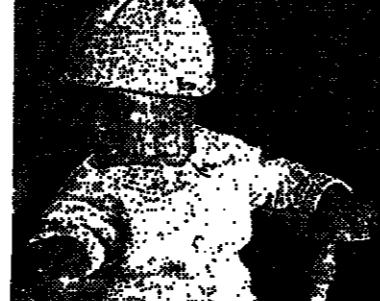
For older children and the catalogues brought out by the Science Museum and the Natural History Museum in London have some splendid ideas. The Science Museum catalogue includes books on a scientific note (*Can You Believe Your Eyes?* - more than 250 visual oddities for £28.95), pocket microscopes, the famous potato clock, puzzles, or a large telescope (£109.95) for stargazers. And there is much, more.

From The Natural History Museum there is a lot of what it calls "Dino-fun" as well as kits to make your own archaeological replicas (£19.95 for Jerusalem, £24.95 for Jericho, £19.95 for Qumram), a fine solitaire set (£49.95) and a solar-powered watch (£89.95).

Both catalogues are available from Innovations (mail order), Euroway Business Park, Swindon, SN5 8SN.

classical striped and piped cotton ones (£22-£28).

When it comes to toys and entertainment there are three two catalogues in particular that I think is worth mentioning. Firstly, there is Frog Hollow, 21 High Street, Pewsey, Wiltshire SN9 5AF. (Tel: 0672-642222). There is wide



For the small set from Eleanor House

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PROPERTY

Making the grade

Listing aims to protect buildings of merit. Gerald Cadogan reports

Listing historic buildings, so that they cannot generally be altered or pulled down without official permission, is already a fact of life for 500,000 owners, improvers and would-be demolishers, with more listings on the way.

Officially, there are three grades: I, II* and II. Grade I means they are "exceptional," II* that they are "unusual" and II "regular." In all cases, though, a grading provides the stamp of quality and of architectural or historical importance.

The rankings help with getting grants from local authorities or English Heritage (EH), which in 1992/93 paid out £33m to owners of listed buildings (3m of that for cathedrals and 2.2m for churches), and £7.4m on conservation areas. These grants go usually to help with major rehabilitation but, for most owners, recurrent maintenance is the problem: painting, pointing, and clearing the gutters of leaves (expensive when the builder has to hire extra-long ladders).

Value-added tax of 17.5 per cent is an extra burden on such maintenance. This is odd when you consider that changes to the actual character of the building, which need listed building consent (LBC), escape the tax. Whether painting it an unusual colour or putting in a swimming pool, LBC means no VAT.

LBC does not come automatically, though. The relevant authority will probably need plans, charge a fee and check the application minutely. Major decisions may be referred to EH or such designated amenity societies as the Georgian Group or the Society for the Protection of Ancient Buildings. Neighbours and the public can object or suggest changes.

In the 1980s, the then environment secretary, Michael Heseltine, initiated a major re-listing project which revealed such hidden treasures as Ousey House in Essex (with work by the 18th century architect, William Kent). It rose from nowhere to grade I.

But some areas still need updating. The city of Manchester awaits its new lists with 30-40 per cent more buildings, and Hull's list will be over 100 per cent larger.

By now, almost 10 years after it began work, EH has sharpened its ideology of listing and its criteria. Contrary to general belief, being listed does not mean a building cannot be changed. It does mean that changes must be thought through carefully so they do not detract from the architecture already there.

That is why LBC is needed – and, almost certainly, will be refused – for plastic windows. Planning permission for them is not needed for an unlisted building, but in a conservation

'Contrary to general belief, a listing does not mean that a building cannot be changed. But changes must be thought through carefully...'

area it might be needed). It is the reason also why district councils share the decisions with EH and the amenity societies. In 1992/93, EH dealt with 8,627 LBC applications, 11.2 per cent up on 1991/92.

With scholarship about the country's everyday architecture bounding ahead, spurred by the 1980s' re-listing, EH inspectors are more on the lookout for the medieval hall that might lurk beneath a Georgian facade. And if there is a sudden threat to an unlisted building of quality – such as demolition – today's greater knowledge means quicker decisions about whether to use an emergency procedure known as spot-listing.

It is, of course, better to prevent that procedure by deciding in advance about categories of building that missed listing in the 1980s because they were too recent or the field-workers found them hard to type. Textile mills in Greater Manchester and West Yorkshire are under scrutiny and, helped by recent research, EH has prepared a list of 60,

service), cinemas and even pubs (in association with the Campaign for Real Ale).

With so many hospitals becoming redundant, many pose the delicate problem of balancing architecture with expediency. "Listing is fine if there is re-development," says William Filmer-Sankey, the Anglo-Saxon archaeologist who has become director of the Victorian Society. "It is less helpful if the building sits empty."

Holloway Sanatorium (grade I) at Egham, Surrey, is a particular worry. Nobody is interested in buying it without being allowed considerable scope for re-development. Meanwhile, it is being vandalised, water has come in, and it is falling to pieces.

Filmer-Sankey points out that the VS – also an amenity society – is swamped by LBC applications needing comment. But the system fails down with neglected buildings like the sanatorium because it is designed to react to deterioration – by serving urgent works or repair notices that can lead to compulsory purchase – rather than preventing it. He

wishes LBC applications had to be as detailed as those for planning; that way, the unnecessary destruction of special features might be prevented.

Most listed buildings date from before the second world war. Listing post-war buildings had a shaky start when the environment secretary of the time rejected several of EH's initial candidates. But one building that passed with a II* grade was Sir Albert Richardson's Bracken House, the former headquarters of the *Financial Times* near St Paul's cathedral.

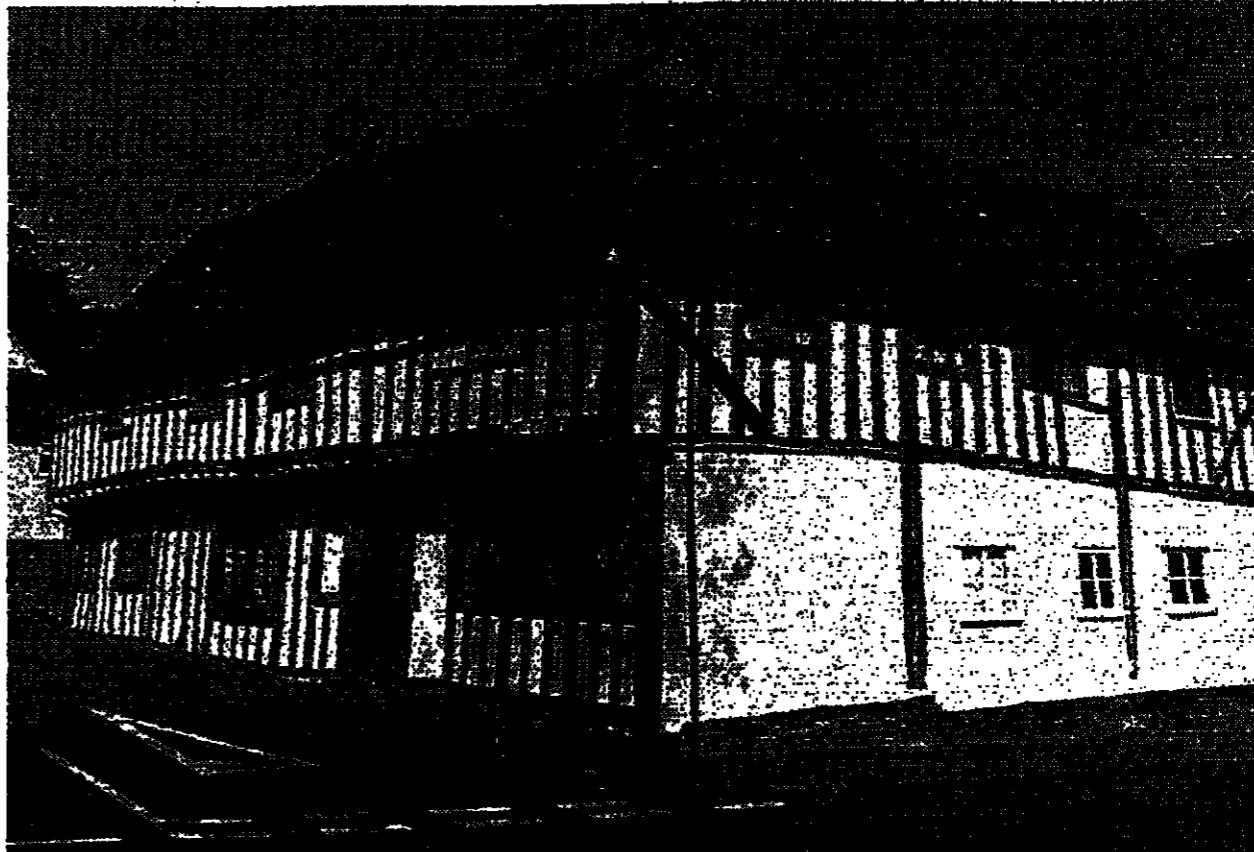
Modern buildings become eligible after 30 years, or 10 years if they are outstanding and threatened. This year, schools, colleges and universities entered the lists. But private houses and commercial buildings are still few, as are churches despite Sir Basil Spence's Coventry cathedral (grade II).

The Cumming Engine factory in Durham, designed by American architects Roche Dinkeloo, is grade II* while the Royal Festival Hall on London's south bank rates grade I.

Jacob Epstein's statue of Field Marshal Jan Smuts in Westminster, and Henry Moore's Three Standing Figures in Battersea Park, are grade II. EH wants to list more houses, including pre-tabs and some in new towns.

Any deterioration causes economic harm, and not just to the building. Buxton, in Derbyshire, is an extreme case. The decline of the 18th century Crescent (grade I) was damaging the success of other restoration schemes in the spa town until the Department of National Heritage served a repairs notice on the owner of a hotel that occupied half the Crescent. The hotel has now been sold to the local borough council, which was given a 100 per cent grant from the National Heritage Memorial fund, while EH offered him for emergency repairs.

The other half belongs to Derbyshire county council which had begun repairs already. By a circuitous route, the Crescent's listing has brought new hope to Buxton. Two artists' houses from the 18th century in Hampstead, London, are offered by Hampshire George du Maurier's 28a Hampstead Grove opposite Fenton House and next to Admiral's House in Hamp-



This Norfolk house probably started life as a medieval hall

Cadogan's Place

In the steps of a king

There's a royal connection to one of the exceptional houses on offer

Grade I buildings number about 6,000 of the more than 440,000 buildings listed in England. What is for sale among these buildings of exceptional architectural and historical importance?

From the 15th century comes The Tudor Shops, a wool merchant's house in Lavenham, Suffolk, which originally was probably a half-house (meaning one that started life as a medieval hall); £235,000 from Hampshire (0284-767335).

In Somerset, Poundford Park was built in 1546 on a typically Tudor H-plan and still has its Tudor kitchen, built away from the house as a fire precaution. Its park was enclosed in Saxon times, and King John hunted deer there in 1266. Stags (0232-622822) invites offers over £600,000.

Two artists' houses from the 18th century in Hampstead, London, are offered by Hampshire George du Maurier's 28a Hampstead Grove opposite Fenton House and next to Admiral's House in Hamp-

stead village (285,000), and Romney's House in Holly Bush Hill. This was used as assembly rooms in the 18th century before becoming the local Constitutional Club.

Architect Clough Williams Ellis (of Portmeirion fame) converted it back to a

private house for his own use before the second world war, after it had been assembly rooms in the 18th century and then the Hampstead Constitutional Club. "Substantial offers" are invited.

In Devon, Bowden House near Totnes is grade I London terraces round Regent's Park. In the capital, 5 Belgrave Square is a less ornate building on the north, sunny side of the square, a speculative leasehold development built by Thomas Cubitt as a speculative leasehold development on the Grosvenor estate in 1830.

A new, 49-year lease for this desirable address, with a ground rent of £5,000 (reviewable in 2013), costs £3.25m from Ayleford (071-351-2343) or George Trollope (071-824-8111). A mews is included.

Grade I is also for rent. Glenston Manor

near Blandford Forum, Dorset, is available from January for three years as an assured shorthold, with the possibility of two more years being available.

The rent is negotiable at around £25,000 a year, through Savills (020-887731) or 020-822-320423). The house is Tudor, of knapped flint banded with green sandstone, but goes back to the 13th century. It has never been sold.

G.C.

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The other half belongs to

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BOOKS

Saviour of Spain – or brutal fascist?

Robert Graham on the first comprehensive biography of Franco

Through a mixture of luck and cautious cunning, Francisco Franco, Bahamonde emerged in 1939 from the Spanish civil war at the head of a victorious army and became Caudillo of Spain.

The next 35 years, during which he ruled Spain, have come to be seen through the prism of ideological opposites. Francoists claimed he saved the country from anarchy and communism, and then went on to lay the framework for a prosperous modern state with a stable succession.

Franco's enemies never forgave his civil war victory over the Republicans. To them he was a brutal military dictator who kept Spain isolated from the mainstreams of modern Europe, retarding economic and social development by several decades. At his death in 1975 he was still type-cast as a fascist ruler.

However, Franco died in his bed at the ripe old age of 82 while still head of state, implying he enjoyed a degree of acceptance which his detractors were never willing to concede. Franco also solved the problem of succession by restoring the monarchy, something which today might allow the regime to be seen in a more benevolent light.

This is not the case with Paul Preston, an expert on contemporary Spain and professor of international history at the London School of Economics. In the first comprehensive biography on Franco, Preston says he will be remembered above all for "his ruthless conduct of the Nationalist war effort between 1936 and 1939 and the determination with which he pursued the systematic annihilation of his enemies on the left". At a secondary level he will be remembered "for the sheer duration of his survival".

Franco's achievements, he says, were personal and sectarian. He never made any attempt to heal the appalling scars left by the civil war. His Pharaonic monument to the dead, the Valley of the Fallen near Madrid, where he himself is buried, merely emphasised Franco's vindictive sense of triumph over his enemies. Thus he was no more than "a skilful manipulator of power who always looked to his own personal interests".

At over 1,000 pages, including footnotes and bibliography, this is a painstaking reconstruction from

every available source. Unfortunately, Preston's manifest absence of sympathy for Franco colours the tone of his judgement – even if the general thrust of the judgements themselves are likely to stand the test of time.

Preston takes the conventional view of Franco's military skill, arguing he was a safe but unimaginative commander. He faults Franco's excessive caution for prolonging the civil war. But this overlooks Franco's belief that, in a fratricidal conflict, a clear victory was essential to ensure subsequent stability.

The biography is at its most convincing dealing with the tense period in 1940 when Franco was tempted to join the Axis powers. Franco cultivated the idea that he had saved Spain from involvement in the second

FRANCO: A BIOGRAPHY
by Paul Preston
Collins £25, 1002 pages

world war. The reality was more prosaic. Franco admired Hitler and believed he would win. By backing Hitler, he anticipated the victor's spoils of Gibraltar and French North African possessions. However, Hitler had serious doubts about the value of Spanish entry into the war, and this gave time for Franco to reconsider. By then the tide had begun to turn and the Allies were offering economic aid; so Spain remained neutral.

In his negative assessment of Franco, Preston should have considered whether in fact Spain needed a period of repressed stability, like that provided by the Caudillo, to recover from the ravages of civil war and its long history of political instability.

The civil war had in part been provoked by the advent of the republic in the 1930s and the introduction at a forced pace of a secular democratic state when there had been no such previous tradition.

Linked to this is the issue whether Franco, having come to power by accident rather than design, should have stepped aside. And if so, how and when? The earliest feasible moment would have been in 1946. Then concerted Allied pressure might have forced him to step down in favour of Don Juan as part of an

FRANCO emerges from this



biography a dull, rather mediocre figure – the proverbial sphinx without a secret. Yet Preston has avoided psychological analysis, leaving plenty of room for others to investigate the formative influences on Franco – such as his small stature,

his pious mother and dissolute father, the near-fatal wound sustained as a young officer in Morocco, his bossy and socially pretentious wife, Dona Carmen. This might show Franco was not quite as dull as Preston makes him out.

At 89, Deng is unable to comprehend the breadth of change inspired by China's second revolution, and he has given few clues to the breadth of his own character. Understanding Deng is much like his own description of the process of reform, crossing a river by feeling out the stones and, in his biography, Sir Richard Evans has touched on most of the stones peeking above the surface of the river.

DENG XIAOPING AND THE MAKING OF MODERN CHINA

by Richard Evans

Harrish Hamilton £20, 339 pages

see were successful. Even the one liners for which he was famous, "seek truth from facts" and "black cat, white cat, the colour doesn't matter as long as it catches mice", were first said by someone else. As the latter phrase suggests, Deng's motivation was to build a strong China, not to create a workers' paradise, and nationalism gradually got the better of communism when it became obvious that central planning was crippling the country.

In his epilogue, Evans lists the economic gains, providing retail price index statistics and figures on taxation growth and gross national product, which, he indicates, provide evidence that democracy should grow more slowly than GNP in developing countries. As a biographer, and a former UK ambassador to Beijing, he is a touch too diplomatic in his final judgment, which he leaves to "the people of China".

The statistics are impressive, but China does need a vision, and the reluctance of Deng to allow more vigorous debate is a failing that will be remembered. Chinese society has always been more than the labour cost on an assembled and re-exported refrigerator, but only economic diversity is officially encouraged. In these years of upheaval in a great culture, when social comment is needed to provide a context for change, Deng Xiaoping has forced thoughtful Chinese to be very selective in their public speech or to be silent.

Last man of the Long March

Robert Thomson on the enigmatic career of Deng Xiaoping

If Deng Xiaoping's health has been holding up these past few days, he has probably been watching soccer matches on satellite television, and adding bits and pieces to half-written, perhaps never-to-be-published articles about economic reform and Marxism. He has played a few hands of bridge, flicked through the newspapers, and granted short audiences to the occasional guest at a heavily-guarded courtyard residence.

Outside the walls of his compound, China is being redecorated. The cities are painted with bright strokes of neon, streets are lined with aggressive vendors selling clothes and gadgets from street tables that could be the beginning of a retail empire, and middle-aged Communist party officials running machine tool companies are discovering that mastering the market is more difficult than memorising the Four Cardinal Principles or the Five Principles of Peaceful Co-existence.

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ela Soccer Club" and a reign of terror which resulted in her house being burned down by her own people. Then came the kidnapping and murder of 14-year-old "Stomple", after which she lost most of her remaining sympathy and eventually came to trial.

Here was a nightmare for the ANC leaders in exile, let alone for her loving husband-in-prison. ANC leader Oliver Tambo buried his face in his hands. "What must I do? We can't control her. The ANC can't control her."

Winnie rapidly became a liability to the entire anti-apartheid movement. The South African government would have been thanking the good lord, except that they could hardly risk a long jail sentence when she continued to command the support of the unemployed and uneducated urban youth. In the end, in June 1983, the Appeal Court gave her a suspended sentence.

Nelson, out of prison in 1990, left her in 1991, by which time the new generation ANC leadership had taken necessary steps to sideline her. Was it the ANC's own fault? In Ms Gilbey's words, in 1980 "the movement needed a figure within the country who could act cohesively as a symbol to draw the elements of the 'Release Mandela' campaign together. Winnie came to be chosen because in the abstract she was the ideal choice. Here was someone in a tragic situation who was sympathetic and charismatic, who was courageous, outspoken and to top it all was the beautiful wife of their leader. On paper she was perfect. But she was not perfect..."

J.D.F. Jones

The liberals South Africa has left behind

RETURN TO PARADISE
by Breyten Breytenbach
Faber £17.50, 224 pages

IN NO UNCERTAIN TERMS
by Helen Suzman
Sinclair-Stevenson £17.99, 310 pages

THE LADY: THE LIFE AND TIMES OF WINNIE MANDELA
by Emma Gilbey
Jonathan Cape £18.99, 328 pages

them? Was she right. Van Zyl wrong? And, more important, can we now see that her opposition to sanctions throughout the 1980s was misguided? Or not? Perhaps she should be best remembered as a most valiant champion of the oppressed – "Our Lady of the Prisoners", as Breytenbach once described her.

The story of Winnie Mandela is a terrible tragedy, and Emma Gilbey has had the sense to tell it straight. As everyone knows, the pretty girl from the Transkei married the charismatic and much older Nelson Mandela just a couple of years before he vanished into 26 years of imprisonment.

The young Winnie seems to have assumed that she would depose him, but her qualifications to do so were inadequate, as was her character. She was very brave but – this is Ms Gilbey's central point – the police broke her in interrogation in 1969. When she was banished to the Free State in 1977 she was still very brave but by then something had gone wrong: she had been abused beyond the endurance of anyone but a saint.

Helen Suzman has her place in the history books, and the affection of many of the leaders of the New South Africa, but there is a necessary argument about her role. Did she somehow help legitimise an utterly undemocratic government which was happy to let her travel the world abusing

the detail of her political career, but which had not just on personal things but on many other areas of delicacy: for example, her fury at Van Zyl's desertion of the parliamentary party is inadequately reported, and her thoughts about "Winnie" could surely have been developed now that she does not have to play the politician.

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THE LIBERALS SOUTH AFRICA HAS LEFT BEHIND

The financial anxiety that dogs most young writers of fiction ceased for Patrick Hamilton in his mid-twenties when he wrote those two spine-chilling plays, *Rope* and *Gastight*. But in spite of this great popular success before the second world war, Hamilton was often in a distressed state, and the condition worsened as he grew older.

He came from an eccentric family most of whose members were writers. He inherited a history of alcoholism and instability, and he succumbed like his father to excessive

From Hangover to drunk

drinking, half-ruining a brilliant career. Happily the royalties from his plays continued to flow for the whole of his life, and still do. He died in 1962.

The plays were ideal for filming by Hitchcock. The director rejected *Gastight* when it was offered him by Selznick but he eventually made *Rope* in 1948 with James Stewart. As an experiment he filmed it exclusively in one interior set with no jumps-cut, curiously enhancing the macabre tension of the play. Sean French regards the film as a transitional work in the Hitchcock canon, preparing the way for *Strangers on a Train* made from a book by a novelist who rivals Hamilton in her portraits of plausible con men, Patricia Highsmith.

Hamilton was a curious case of someone who, despite his boyhood in Hove, observed the world of drunks and psychopaths with clinical detachment, and reproduced it to perfection in his fiction. His masterpiece *Hangover Square*, a murder story, was set during the period of Munich and appeasement whose mood it captures exactly. In his maturity, to the horror of his friends, Hamilton grew to resemble a saloon bar drunk in one of his early novels.

Sean French does not offer any particular explanation for

Hamilton's personal decline. He focuses instead on the good work that Hamilton was able to do after he had undergone electric shock treatment and other forms of therapy. Finally French points to one surviving document that he considers may have effectively ended Hamilton's writing career. This

PATRICK HAMILTON: A LIFE
by Sean French
Faber & Faber £20, 327 pages

was a letter in 1952 from Michael Sade, the head of Hamilton's publisher, Constable, giving his reaction to the novel later published as *Mr Stimpson and Mr Green*. It must be one of the most wounding letters any novelist has ever received on submission of a manuscript, and it certainly toppled Hamilton's always shaky self-confidence.

French rates the book when read today as "a masterpiece of comedy", a significant advance on its predecessor, *The West*

He shows how Patrick would occasionally borrow an idea from one for a plot.

French does not stimulate any great desire in the reader to sample one of Bruce's novels but he makes a strong case for Patrick as a writer who needs to be placed firmly alongside Orwell and Greene in his accounts of the horrors of sub-urbia between the wars. The only work of Hamilton's in which this sympathetic critic finds no merit at all is his dystopian fantasy, *Impromptu in Mordubia*. It was published in 1939 when the writer was at the height of his fame and a marxist.

The biography traces the course of his relations with these two men. Male friendship was a source of strength to Hamilton throughout his life. Other friends included Arthur Calder-Marshall and John Davenport. His relations with women were always punctuated by catastrophe.

After the death of his father, a profligate old tyrant, Hamilton continued to remain closely in touch with the other members of his family especially his brother Bruce, for many years a teacher in Barbados. Bruce published his own life of his brother *The Light Went Out* (1972) and preserved a family archive. French has burrowed in it fruitfully and also read all of Bruce's novels.

Anthony Curtis

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In hurricane-prone lands, as natives know, the way to keep your home intact is to open the windows a crack. That way the winds can stoke through, dissipating force and equalising pressure. The same principle applies when talking to Mel Brooks. He is one side of his Hollywood desk, cracking gale-force aphorisms. You are the other, opening parts of your brain you never knew you could ventilate so Mr B's surplus brio can hurtle through.

Brooks is Hollywood comedy's Force of Nature. He gave us *The Producers*, *Blazing Saddles* and *Young Frankenstein*. He makes movies that never heard the words "taste" or "restraint". And even when he has a bad run of brainstorming - his new film *Robin Hood: Men in Tights* (opening in Britain on December 17) marks a slight upturn after recent mishaps such as *Life Stinks* and *Spaceballs* - he is still the man with the loudest, quickest, freshest opinions on the movie business. No dithering, not even in response to my first question.

"Raisin toast! Mr Brooks had raisin toast for breakfast!" (This to test my recorder's sound level; it gets turned sharply down). Like many paid laughter-makers Brooks knows almost everything about comedy - except - we begin with fundamentals - precisely where it comes from.

"Jokes" pounds the ruminative ball of energy, "go through a strange metamorphosis. Time is the important element. A series of events, some traumatic, some unperceived at the time, merge. And suddenly you're struck by a brand new idea that's surfaced from

The thoughts of Hurricane Mel

Mel Brooks gives his gale-force views on films, comedy and Hollywood. Nigel Andrews takes cover

the 'mud' of your unconscious storage bin."

Brooks's own storage bin is large enough to contain all the mud a humorist could require. He was born to a large, loud family in Brooklyn. He gatecrashed world consciousness as a TV gag writer, sharing an NBC round table with the likes of Neil Simon, Carl Reiner and the man who was to become his neck-and-neck rival in movie comedy, Woody Allen. And he progressed through stand-up comedy to stage work and then to making the movies we know today: frescoes of manic ambition and largesse from blazing Westerns via teeming toga sagas (*History Of The World Part 1*) to the all-human-life *New York of Life Stinks*.

"Ideas that appeal to Woody are to do with defeating death. His big obsession is immortality. Me, I'm interested in 'social flux'. I don't care a lot about the psychodynamics of a situation. But I care very much about why - socially, historically - more than 10 people at any time are swayed to do the same thing together or are oppressed."

Hence the guest appearances in Brooks movies by Hitler, Torquemada and others. Hence too his messianic reason for going into comedy in the first place: "I thought the world was foolish and I thought comedy was the best way to express how foolish it was."

Like many comics turned film-

makers, from the Allen of *Sleeper* to the Steve Martin of *Dead Men Don't Wear Plaid*, Brooks has found film-making itself a handy target for onslaught on folly with his genre parodies, taking the mickey out of silver-screen tropes and clichés; and doing it all with a sneaking fondness. "It's like jazz, it's very satisfying. You take a tune everyone knows and you play riffs on it. In *High Anxiety* all I had to do was take Hitchcock and move him this way or that - a little to the left, a little to the right - and I got big laughs."

Give Brooks a broader target to pepper, though, and he is more likely to attack it off-screen than on. If there has been a disappointing side to his career, it is that his whirlwind opinions on larger contemporary topics than movie genres tend to be excluded from his movies. The follies of Washington; the Japanese "invasion" of American industry and American cinema; his own Jewishness and what it means to him.

"Hollywood used to be run by the Jews. You know why? Because in Europe, Jews could not own land. They were used to being barred from owning banks or railroads, but they could be 'amusants' ('Please, amuse us!') So when they came to America, naturally many gravitated to the entertainment industries."

"Then later, when Hollywood became established as a machine

ink not red in the ledgers, and lots of it."

"But Hollywood always wanted that." "No. Wrong! The Sam Goldwyns, the Louis B. Maysers, they were out to break even, not make a killing. When they started out, they knew they were in this small retail business like groceries. Instead of selling butter and eggs they were selling Dick Powell and Ruby Keeler. There was no big money in it when they began, but there was great joy and - the one word that's missing today - pride! Sam Goldwyn would have all the chorus girls in a *Damny Kays* picture dressed in silk. You never saw them underwear, but he said they *felt* good, so they performed better."

"The studio bosses were happy if they broke even and made a modest profit and could keep what was the glory of those days, the cadre of talent. Fifty actors, fifty writers, fifty directors in one studio: mix 'n' match!"

"Hollywood today - this is the lead of your article - doesn't want to make good movies or try out new things, it just wants to make hits. People think *Home Alone* is a good movie because it made \$500m worldwide. They think people enjoyed it because it was good. But people enjoy things that are easy to assimilate, easy to digest; they enjoy a lot of bland crap. And the dynamic stuff, the daring, the irreverent stuff, that puts them off."

"So video has become our chance for an afterlife. For me, seeing my movies on video is like going back to TV where I began. On the small screen, people see the humanity again, the little gestures."

"Little gestures in a Brooks film? Well, perhaps. But what we treasure them for is their rudeness and flamboyance. Brooks himself, in more Brookian mood, admits that his flair is for the CTT. 'In the cutting room a take I didn't like on the set, because it was over-the-top,

I'll almost always use because it was dizzier and more titillating, and the others are too tame.' Tameness and formula are the things he is quickest to chastise in most screen comedy today: especially the kind that grew out of the safety-first TV sitcom tradition, from *Roseanne* to *The Cosby Show*.

"TV viewers... especially Americans, are brainwashed into responding to rhythm not thought. The woman wasn't sick? 'What?' The woman was 'd-e-o'?" Studio laughter. They laugh when they're told to laugh. 'Where did she go? Did she come in there?' Come in there? She came in there?" Studio laughter. That's not comedy, that's like a doctor hitting you on the knee to get a jerk.

"In movies we work in a different way. We work on improvisation and experiment and risk. We work on a lovely marriage of thought and emotion and physical activity."

So what was the next product of this wedded bliss? (We were talking shortly before Brooks officially announced his *Robin Hood* project): "I'm waiting for something to come up from the dark core of my unconscious. Something that speaks to me about the human condition and how to attack and celebrate it. Hatred is always a good starting point. I hated racial prejudice and we got *Blazing Saddles*. I hated poverty and we got *Life Stinks*. I hate politicians, so maybe there'll be a political comedy from me next."

Something about the rich taking from the poor, the poor taking from the rich. Wait!" - mock-dramatic Brooks pause with hand held high in the cutting room a take I didn't like on the set, because it was over-the-top,

A gift to posterity

The house has an elegant stone facade, one side overlooking Basle's cathedral square, the other the River Rhine. Inside, the design blends modern practicality with clean, classical lines. No expense has been spared. In the reading rooms, musicologists study autograph scores on microfilm. In the vault-like safe, librarians methodically sift through manuscripts. The Paul Sacher Foundation, inaugurated in 1986, is going about its work.

This is Paul Sacher's gift to posterity. The 87-year old Swiss musician, who conducts the London Mozart Players at the Queen Elizabeth Hall next Wednesday, has spent his life commissioning and performing new music. Now he has gathered it together as a 20th century archive. The starting point was his own priceless collection of scores, bolstered by his purchase of the Stravinsky estate in 1983. Then came the complete Webern manuscripts, followed by a steady flow of material from Berio, Birtwistle, Boulez, Dutilleux, Henze, Ligeti and others. The collection grows every week - negotiations are currently under way to buy John Cage's estate - and will soon need expanded premises. The only major gaps are Schoenberg and Berg.

Paul Sacher is a living legend. The son of a Basle gardener, he studied violin, founded the Basle Chamber Orchestra in 1926, married the widow of the Hoffmann-La Roche chemical company, and used the family fortune to commission more than 200 works among them Barion's *Music for Percussion, Strings and Celesta* and other modern classics by Hindemith, Honegger, Martinu and Frank Martin. These compositions were not simply ordered and paid for; in many cases, Sacher befriended the composer, put

Andrew Clark on Paul Sacher, musical pioneer and patron

initiative, his family gained a majority shareholding, business interests now play second fiddle to the foundation. He receives guests in his apartment at the top of the building, where the rooms - decorated with paintings by Picasso, Chagall, Modigliani and others - bear testimony to his wife's lifelong patronage of 20th century art.

Did he have a plan, a mission, from the start? "I knew exactly what I wanted. I had my own orchestra at school, I wanted to be a conductor. I wanted to do old music, I wanted to do new music, I wanted to do unknown things - anything but the pieces which were repeated over and over again at concerts. I wanted to hear the voice of our time, how a man living today composed music. For me, the most important musician is the composer.

It was Sacher's influence which turned Mutter's attention to contemporary music. "I told her 10 years ago - 'Listen darling, you can't go on playing the Romantic classics for ever, it's boring. You're a young woman of our time'. We started with Stravinsky. She understands every style, she's a sweetheart and a fantastic fiddler."

He is convinced that understanding contemporary music is only a question of generation, and that today's modern music will be popular tomorrow. "Boulez is now at Salzburg. He conducts Boulez, and the hall is as full as with Karajan. We have modern composers who are first class people - Carter, Lutoslawski, Berio. I don't see any crisis. Music will go on developing - as it always has."

Concert / Richard Fairman

LSO free to be imaginative

While the other London orchestras find themselves caught up in a frantic race to stay alive, the London Symphony Orchestra is in the luxurious position of having time to think about music. A glance over the autumn season just coming to an end reveals a higher proportion of imaginative programmes than with any of its rivals.

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Silja's mature Czech monster

Andrew Clark reviews Janáček's 'The Makropoulos Case' in Vienna

After spending most of her career in German roles, Anja Silja has found a new lease of life portraying the mature female monsters of Janáček's operas. First came *Kostelníčka* in 1984 - it almost forgotten today. His wealth has also tended to overshadow, and even obstruct, his career as a conductor. But no one has ever doubted the quality of his musical judgment. The number of his commissions which have stood the test of time speaks for itself. And he is still commissioning - the latest being a violin concerto by Wolfgang Rihm, to be premiered next year by Anne Sophie Mutter.

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Under Isaac Karabtchevsky, the Volksoper orchestra was poorly balanced and slack. The staging devised by Christine Mielitz and her designer Reinhard Helmrich looked like a bad night at the Komische Oper in Berlin, where both are based.

The decor was skimpy and poorly lit, consisting of little more than interchangeable blocks and ill-defined projections. There was too much movement, much of it needlessly brutalist. As a result, the Volksoper ensemble made little impact. Kurt Schreiberbauer turned Gregor into an ardent woor, Wicu Slabert made an unusually sinister Frus and Ernst-Dieter Suttmüller's Hauk was a beautifully eccentric sketch.

Repertory, and *Osdud* was given a concert performance last year. But judging by this production, the Viennese approach to Janáček is still somewhat cavalier. Thanks to Anja Silja alone, Volksoper audiences have seen what *Makropoulos* is really about.

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Which city, after London, is Britain's leading city of theatre? The answer is Glasgow, but few people outside Scotland realise this. In the Citizens Theatre (with three auditoria, since last year), the Tramway, the King's Theatre, and the Theatre Royal, it has both quality and quantity. What's more, the Citz and the Tramway combine to give Glasgow a range of styles so broad and so European that any other British city, London included, should envy it.

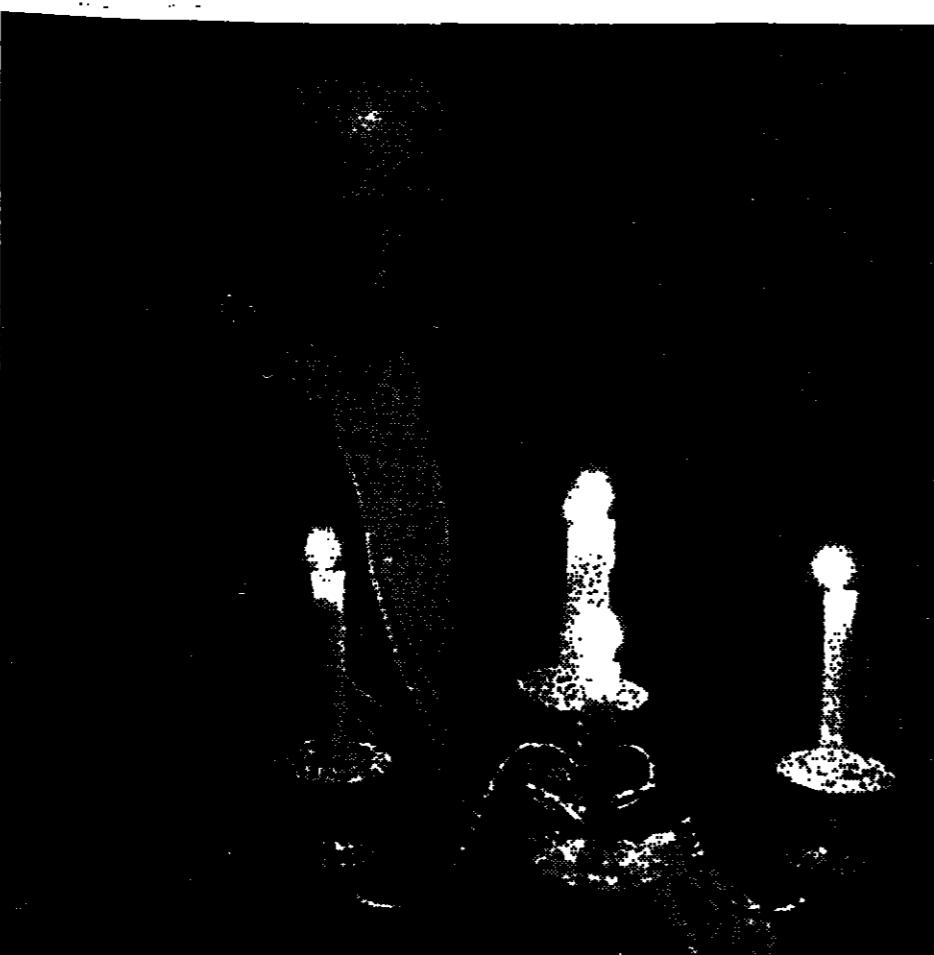
The Tramway has a particular record for bringing Glasgow some of the most important European and British theatre. This is the one British location to which Peter Brook brought his *Mahabharata*, *Carmen* and (earlier this year) *Peléus et Méduse*; this is where Howard Barker's *The Europeans* had its premiere earlier this year; and this is a focal point for the four Romanian theatre productions currently or recently touring Britain. The theatre/dance/music company Second Stride has just given here two performances of its new *Escape from Sea*, seen in London two weeks before; and in February Scottish Opera will give David Leveaux's new production of Britten's *Turn of the Screw* here.

Glasgow, like Edinburgh and other British cities, has also its share of shows that London has seen or will see. Peter Hall's new production of Pam Gems' *Play*, with Elaine Page, which the West End has yet to see, is running this week at the Theatre Royal. And Hall's 1982 staging of Wilde's *An Ideal Husband*, which ran for six months on Shaftesbury Avenue, recently came to both Glasgow's Theatre Royal and Edinburgh's King's Theatre. (Dulcie Gray and Michael Denison, in their bit roles, are still clinging on from the original cast – and now promoted to star billing, just above Kate O'Mara and Angharad Rees.)

Then there are productions that London does not see, but which tour Scotland. TAG Theatre's *Scots Quair*, which ran successfully throughout the Edinburgh Festival, has recently played at the Citizens Theatre; and the staging of Jakob Lenz's *The Soldiers*, which Philip Brewster directed and which opened during the same festival in a Citizens production, has now returned to its Glasgow place of origin. Glasgow also gets to see productions from Edinburgh theatre, such as the Royal Lyceum's *A Midsummer Night's Dream*, the second production by the Lyceum's artistic director Kenny Ireland, which recently transferred to Glasgow's Theatre Royal for a fortnight.

But the two contrasting forces that probably do most to define Glasgow theatre are its old music-hall tradition on the one hand and "the Citz" on the other. The music-hall tradition, whose influence percolates through to the comic roles in the Edinburgh Lyceum's stagings of classic drama, erupts in the pantomime season. (At a time when trad pantomime is fading from the West End at Christmas, various Glasgow venues this December will offer productions of *Robin Hood*, *Dick Whittington*, *Jack and the Beanstalk*, *Beauty and the Beast*, *Snow White* and *Mr McScrooge*.)

The Citizens Theatre is a source of another kind of vitality, enlarging Scottish theatre



Andrew Wilde as Don Juan in the Citizens Theatre excellent new production by Robert David MacDonald

Don Juan is at home in Glasgow

rather than carrying on old Scottish or English traditions. Since 1989 it has built up a complex reputation, a reputation that includes sexiness, glamour, freshness, irony, camp, daring and more. It has presented classics in radical new versions, introduced unknown European classics to Britain, developed new ways of adapting famous works of literature to the stage, and presented lively new plays.

The Citz Christmas non-par-tumme show, opening next week, will be *The Lion, The Witch and the Wardrobe*. Meanwhile, two smaller auditoria have been launched other productions. There is little to commend in *A Stinging Sea*, by Vivien Adams and directed by Maggie Kinloch, currently in the theatre's smallest space, a crumby psychodrama set on a Hebridean island about a man, a woman and a ghoul who variously represents the boy the man once was, the children the woman has abandoned for him, the foetus she once aborted, and the child one or other of them would like to have. Plenty of sex (increasingly joyless), even more screaming, but weak female acting and several narrative clichés.

Upstairs in the Circle Studio, however, the staging of Goldoni's *Don Juan* – translated and directed by Robert David MacDonald – is a thrill. No *Don Juan* fails quite the same story, and Goldoni's variants are part of this version's excitement. Here, Donna Anna and Duke Octavio dislike each other and are only engaged with extreme reluctance; Elisa (the peasant Zerlina character) constantly tells lies to string along her

men; Donna Isabella (the Elvira character, already deceived by Juan) pursues her former lover in male disguise, and finds herself drawn to Octavio, her new protector (Anna even denounces her, falsely, as Octavio's mistress); and Anna's father, the Commandador, only appears as a living figure, not as a vengeful statue.

When finally Juan is shown to have tricked all the women, and is trapped in sanctuary, he begins to rave hysterically:

Alastair Macaulay spends a happy evening with Goldoni at the Citz

"Elisa – Isabella – Anna – which of you will murder me?" He dies when the ceiling collapses upon him, but this act of God is the only hint of supernatural intervention in the play. All is rational, witty, dangerous, charged. (This is the British premiere of Goldoni's version: it is astonishing that we have done without it so long.)

The most remarkable character of all is Anna – a proud schemer, torn between her father and her attraction to Juan, determined to resist Octavio at all costs and half-repulsed by Juan's more brusque advances, yet prepared at first to marry Juan even after he has killed her father. What a role! She is as complex, cold and cruel as one of Racine's heroines. But I was amazed too by the duplicitous determination of several narrative clichés.

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men. There are less surprises about Juan himself, but Goldoni fleshes out his lethal, Godless selfishness and hubris with telling detail.

I should love to see a Don Juan festival – maybe at Edinburgh? – in which this Goldoni was included, alongside those other versions by Tirso de Molina, Molière, Gluck, Mozart, Byron, Zorilla, Strauss, Shaw and Horváth. The only flaw in MacDonald's production is that Andrew Wilde's chilling Juan lacks sensual allure. But the staging has psychological depth, glamour, tension, and spirit. (Andrew Hart as Anna exemplifies all these factors.)

But I should love also to see a Goldoni festival. This year is the bicentenary of his death, by the way, and the more you see of his work, the more diverse a master he appears. Just compare – to name but three – Streicher's revelatory and humanistic staging of *Le Baruffe chiozzote* (brought last year to the National), the RSC's current staging of the knockabout *Venetian Twins*, and this rational and penetrating *Don Juan*. No British theatre has done more to honour Goldoni since 1976. All eight have been translated and directed by MacDonald. His *Don Juan* text is exemplary: elegant, intelligent, idiomatic, and never calling attention to its own cleverness. Lucky Glasgow.

Don Juan continues at the Citizens until December 11; *A Stinging Sea* ends tonight – November 27

Jazz More sax please

The curious sight and sound of the Pharaoh Sanders Quartet is causing some excitement, as well as consternation, in its short tour of the UK. The American tenor saxophonist, who first came to prominence beside the late, great John Coltrane, has found something of a cult following among the jazz dance fraternity lately. As sometimes happens with the unconventional, and non-commercial, he is also undergoing critical re-appraisal by the purists, as torch bearer of what Coltrane began in the 1960s (he died in 1967).

It was the Coltrane followers who played up the jazz boom of the late 1980s with their tough blowing, get-outta-may-way style, so appropriate for those restless times. During the same period Sanders, whose own harsh sheets of sound were confined to the West coast, was making records that would be snapped up (and sampled) for the dance floor in the 1990s as interest in the new generation of saxophonists began to pall.

Thus the prospect of Sanders' carved mahogany features and long white fringe of a beard, inscrutable behind dark glasses and scorching tenor, drew an interesting selection of the jazz listening public to this smoky little club – from the middle aged hippies made good to the bep habitués of Camden Lock.

Most would have felt a little shortchanged. For someone billed (inaccurately) as "the greatest tenor saxophonist on this earth" in the promotional blather, Sanders could at least have devoted more time to the instrument. Wednesday's set opened with a lengthy percussion workshop from the quartet, employing talking drums and shakers, Sanders bellowing "There will be peace and happiness" aggressively into the microphone. To a huge and approving rush from the audience, he then set about the sax with some exuberance and often hair-raising split reed technique. The effect is rather like cleaning your ears out with wire wool.

But the excitement was short-lived. As the band – William Henderson (piano), Alex Blake (bass) and Sherman Ferguson (drums) – surged ahead enthusiastically, Sanders stepped out, returning occasionally to shout or shake and even beat his chest comically. Miserable rations of caustically liberating tenor technique inflicted screams from the audience, as did some fleet and funky fret work from Blake, but the most plaintive voice of them all was the one begging for more sax. Instead, Sanders began to beat a large copper bowl with a mallet.

As with the Sanders sound, so it is with the performance it seems. You have to take the rough with the smooth.

Gary Booth

Dingwalls, Camden; Bristol Trinity Arts Centre (Sun) and Manchester Al's Cafe (Mon)

stage Minister Peter Brooke (to hollow laughter) while suddenly making the economic and spiritual case for the arts.

He even managed a threat. Prudential had told him that its continued support for the arts depended on the government maintaining its contribution: business was not going to make good any shortfall in state funding. In fact the Pru thinks that sponsoring the arts makes good commercial sense. It invests £800,000 a year in its awards and although most of the money goes on advertising and promotion it still hands over cheques worth £265,000, mostly to experimental arts ventures, who must spend the money on creating new works.

The winner of the £75,000 big one this year was the Shobana Jeyasingh Dance Company. It had already received £25,000 as the winner of the dance category. The Pru is raising the stakes next year, adding a film and television category to dance, music, theatre, opera and the visual arts.

Shobana Jeyasingh was a popular winner but it is slightly odd that in its five years of existence the Pru's top prize has three times gone to modern dance – Rambert and Dance Umbrella were previous winners. This would be fine if modern dance was enjoying a popular renaissance but in fact audiences have been falling and some leading practitioners, like London Contemporary Dance, are in crisis. Perhaps the obviousness of modern dance gives it an edge over other art forms in the eyes of the final judging panel.

The What? The Iron Man

Alastair Macaulay writes to his teenage niece

Dear Kate,

Well, if I'd known long in advance that Pete Townshend had written his new rock opera for children "as a Dad", I'd have asked you to join me for the first night. He adapted it from the original story by Ted Hughes – who wrote it for his children. Who expected a tale by the Poet Laureate to be turned into a rock musical? Well, if Andrew Lloyd Webber did it to T.S. Eliot (*Cats*)...

Since it's a rock musical, you will think it would suit you a whole lot better than it does me – you know how we disagree about *Les Mis*.

Andrew Lloyd Webber did it to T.S. Eliot (*Cats*)...

But without impulse. Parts are discordant (daring in a musical, other parts are almost like the things children chant in playgrounds. But suddenly there are songs that loom out and catch everyone up. A Star Spirit sings "Don't be afraid of the night" twice in Act One, a beautiful rising melody. In Act Two, she returns as a man-eating Space Dragon and sings "I want fast food fast", kind of

maybe not in yours. *The Iron Man* is really about psychology – about learning to handle fear and aggression – and it ends optimistically.

I'm glad you all loved seeing *Les Mis* over half-term. No, I haven't changed my mind about it, I'm afraid. Let's talk about it at Christmastime.

Love from your wicked uncle in the big city.

P.S. What I'd actually like to know most is whether you've heard of Pete Townshend. (My taxi driver, who was born in 1962, hadn't.) When I was your age and younger, he was a big name with The Who. See if your father still has LPs of their music; I used to borrow them from him in the 1960s. To my mind, the stuff he was writing then still has more edge today. It still sounds as if he needed to write it, whereas *The Iron Man* sounds like a task he had set himself.

The Iron Man continues at the Young Vic until February 12. Sponsored by *The Evening Standard*



Anthony Barclay in the Townsend/Hughes/Thacker rock opera

When time stood still...

The Royal Court Theatre Upstairs is a small space, and the first thing you notice about the set of *Hammert's Apprentice* is that the seating has been reduced to five rows by a needlessly large stage. Everything else about the production is over-extended. Time itself seems to move slowly during the 150 minute play; or perhaps that is just the effect of altitude in the Upstairs studio.

Hammert's Apprentice by Kevin Hood charts the emotional career of Mary, Cambridge mathematician and bellhook feminist. She is haunted by one of the Tolpuddle martyrs (James Hammert from Dorset in the 1830s), plagued by a dreadful mother, and troubled by a dying grandmother. Mary meets Alastair whilst attempting suicide from the 15th floor, lives with him, and takes him home to her grandmother's funeral. It makes lumbering drama.

The play has the feel of Ken Loach's excellent film, *Raining Stones*, about the same Catholic working class culture. But *Hammert's Apprentice* lacks moral, spiritual and dramatic centre. There is little to be learned historically and less to be gleaned psychologically.

However, Hood writes well enough to suggest a waste of effort. And the superb acting of Ewan Hooper and Mary MacLeod as the grandparents sustains the interest if not the action of the evening. There are vivid moments from Lee Ross as a 1980s over-entrepreneur who stays in touch with the markets via a box of stolen portable phones.

But Hood never creates people and issues strong enough to sustain a plot.

Repeatedly, characters present their histories as intrinsically interesting, and the action falters into a series of encounters between people trawling though the past. Stage drama happens in the present. *Hammert's Apprentice* runs parallel to where it should, and needs to be trimmed down, put into the present and adapted for radio.

Andrew St George

Royal Court Theatre Upstairs (071 730 1745)

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ARTS

The Met as it might have been

Susan Moore finds the refurbished galleries doing a traditional job

The greatest compliment that can be paid to the design of a picture gallery is to realise that one soon ignores it. Such is the success of the new 19th century European paintings and sculpture galleries at the Metropolitan Museum in New York that the visitor presumes this is more or less how they originally looked. The pleasing proportions and restrained decoration of the Beaux-Arts classicism, the coherent layout of the galleries and their sympathetic lighting, are all taken for granted. It is in the works of art that compel our attention.

The Met's latest refurbishment is worthy of a new chapter in the history of museology because it is not a straightforward exercise in the restoration of period rooms, as seen in, say, the National Gallery of Scotland. Since the opening of its permanent galleries in 1880, the Met has been in a state of perpetual reconstruction. These new galleries were fashioned out of a 1970s glass and limestone shed of an extension to the size of a football pitch. They were conceived to look as though designed by McKim, Mead & White - the architects of the Fifth Avenue facade - at the turn of the century. We are presented with picture galleries as they might have been but never were.

David Harvey, the museum's senior exhibition designer, working with the curator, Gary Tinterow, and the Philadelphia architect, Alvin Holm, has played it straight. The classical language of architecture is employed literally and without apology - and without any tiresome Post Modernist distortion of detail. The historicism is particularly appropriate given that most Impressionist and Post-Impressionist art was intended for Beaux-Arts interiors. Nonetheless, the design betrays the defeatism - or is it pragmatism? - of our age. It effectively concedes that for non-contemporary art the

sculpture and picture galleries of Sogno and Schinkel cannot be bettered.

Certainly the state-of-the-art former installation was found sadly wanting after only a decade. In the spirit of the Beaubourg, it offered a vast, bright, open-plan space studded with "flexible" star-shaped screens that provided a confusing multiplicity of vistas and proved too cumbersome to revert to traditional galleries that is wall space is increased by 30 per cent.

Significantly, it was the Met's curatorial team, and the collection itself, that determined the design, size and disposition of the galleries. Presumably its director and trustees were wary of vesting absolute power in the relatively new breed of superstar architects who have been allowed to impose their vision on museum design regardless of the works of art within. There is none of the visual belligerence that characterises, say, Gae Aulenti's Musée D'Orsay in Paris or James Stirling's Clore Gallery in London which sets superb Turners in an airport lounge.

The 200ft by 120ft space has been divided into a sequence of 21 galleries. To the south runs a main corridor which, with a nod to the Louvre's Grande Galerie, has been widened to accommodate nearly half of the new galleries - \$11.12m construction costs. The

decision by the much-courted Annenberg to bequeath their superb collection to the Met in 1990, made after seeing the model of the new galleries, reveals how important the presentation of works of art has become in museum politics. The collection was widely believed to be going to Philadelphia.

The promised Annenberg bequest of 53 works of art, a great coup for the Met's director Philippe de Montebello, will make the museum's Impressionist and Post Impressionist collection

benefactors, from H.O. and Lorraine Havemeyer, Degas's first American patrons, to the Hon Walter H. Annenberg and Mrs Annenberg who contributed nearly half of the new galleries - \$11.12m

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The promised Annenberg bequest of 53 works of art, a great coup for the Met's director Philippe de Montebello, will make the museum's Impressionist and Post Impressionist collection

arguably the finest outside Paris. The extent to which it will complement existing holdings is revealed by its display in three of the new galleries, until December 12.

Gary Tinterow is to be congratulated for the subtlety of his hang which uses the vistas through the galleries to integrate this separate group with the collection beyond. It is possible, for instance, to stand in the same place to view both the Annenberg and Met portraits by Cézanne of his Uncle Dominique as a monk and Van Gogh's "Wheatfield with Cypresses" of 1889 and the "Cypresses" of the same year.

Tinterow offers any number of thoughtful resonances throughout the galleries. The only drawback of the vistas is that they impel the visitor to hurry ever onwards.

The most controversial aspect of this modestly revisionist hang has proved to be the re-instatement of so many of the academic Salon paintings that had previously languished in store, and their prominent position.

Bouguereau and Cabanel are undeniably kitsch to modern sensibilities, but they do provide an appropriate foil to the Barbes and Rodina. They are even more relevant to the understanding of the Realists and Impressionists beyond.

If there is one small gripe, it is about the colour of the gallery walls. The muted greens and blues immediately strike the wrong note. Obviously the sludge and stony hues of the 1970s - and the decade's antipathy to dark reds and cinnamons - have not quite been excised.

I must not forget two emi-

gnant visitors from the legitimate stage. Madeline Reinhard and Pierre Berthet, in an Alsatian-dialect duet from *L'Isle-en-Brionne*. Some knowledge of the colourful background of the collapse of the Second Empire and the beginnings of the Third Republic after the war of 1870 will help. So, frankly, will knowledge of French. Imagine a non-English-speaking French listener landed with the lyrics in *Isolante* or *Patience*. But you couldn't want more agreeable teachers.

Absolutely right for those fascinated by the music-drama ways of Puccini from the mid-1800s to the mid-1900s is "Les inspirations d'Isolante" (French EMI, CDS

Records

Paris-orientated pleasures

For choosy, sophisticated visitors from the legitimate stage, Madeline Reinhard and Pierre Berthet, in an Alsatian-dialect duet from *L'Isle-en-Brionne*. Some knowledge of the colourful background of the collapse of the Second Empire and the beginnings of the Third Republic after the war of 1870 will help. So, frankly, will knowledge of French. Imagine a non-English-speaking French listener landed with the lyrics in *Isolante* or *Patience*. But you couldn't want more agreeable teachers.

Absolutely right for those fascinated by the music-drama ways of Puccini from the mid-1800s to the mid-1900s is "Les inspirations d'Isolante" (French EMI, CDS

7 62877 2, 2 CDs). The "unusual inspirations" include some of the most remarkable products of the most unusual and eccentric of leading French composers, the little man with a bowler hat, bearded, pine-nose, overcoat and setjab-umbrella. He played the piano in bars but was, in the words of his teacher Poussiel, "prodigiously musical". His short, satirically or mystifyingly named pieces are still tease, perplex and delight in equal measure.

Among the performers are opera stars like Emma Calvé sailing serenely through the Letter Song in *La Perichole* and Jussi Björling, superbly caroling (in Swedish) Paris's song about the three goddesses from *La Belle Hélène*. Mireille Berthet is in top form as the Grand Duchess of Gerolstein, gleefully confessing her weakness for the military, and as the bogus Colonel's widow in *La Vie parisienne*. Old favourites include Yvonne Printemps, sending up operatic sopranos, who hold on to their notes too long (in "Blitz-kun", another of the Grand Duchess's indiscritions) and Reynaldo Hahn, merrily narrating two members from *Le Boulangere* a *des bœufs* to his own accompaniment.

As for the lighter stage, some of whose bright lights are little or no claim to singing voices, they excel when it comes to putting a point number - the doleful *Les Pontins D'Anse* (Puppets dancing) and the *Choses mises* for violin and piano are delightful. Three longer, more demanding works, literally extraordinary are worth getting to know in these high-definition performances.

Satie called his *Socrate* a "symphonic drama", but the description would hardly have occurred to anyone else. It is a deliberately plain, unemotional, evenly-paced setting of Plato's account of the end of Socrates' life, given here in the version for four female voices (Danielle Millet, Andrea Giulio, Andrée Esposito, Mady Mesplé) and orchestra. *Geneviève de Brabant* is a miniature drama (with songs) intended for puppets. Mady Mesplé sings poor, suffering Geneviève's songs sweetly.

Strangest of all is *Le Péché de Méduse* (Medusa's trap) a "one-act comedy with songs" about a Baron Medusa and his entourage, included a stuffed mechanical monkey which dances and an insolent servant, Polycarp. *Geneviève de Brabant* are graced by the distinguished actor-musician Pierre Berthet whose virtuosity of French, singing and playing almost makes up for the absence of texts in the notes. All three major works are conducted by Pierre Dervaux. There is a useful note on Satie in the new *Viking Opera Guide*. Further information and vivid background material will be found in James Harding's book *Isolante*.

Among the most devoted of Satie's colleagues was Milhaud, one of a group who, at the family's request, penetrated the humble room where Satie had lived for years and where no one was invited. *Geneviève de Brabant* was among the unknown works they found. There, two of Satie's songs are included as a tribute to Darius Milhaud's *enregistrement historique 1928-1948* (The Classical Collector 150, 122, 3 CDs). Richer indeed - the bitter-sweet *Scaramouche* for piano, once so strange-sounding now is so natural, and *Le Boeuf sur le toit*, both deriving from Milhaud's time in Brazil. *Le Crédit au monde*, surely the most successful mating of jazz and classical; the three tiny "opera-minutes" opera on classical subjects (complete); not least, the popular *Scaramouche* for two pianos played by the composer and Marcelle Meyer. Other distinguished performers are the conductor Desormières, the pianist Marguerite Long, and, among the singers, the baritone Martial Singher and the invaluable Jane Bathori, a soprano who gave innumerable first performances for the younger composers in those years.

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Hitting the right note to fill the seats

Not many people can whistle the airs from Smetana's opera *The Two Widows*. By all accounts it is a jolly, tuneful, light opera, ideal for the Christmas trade. But English National Opera knows it cannot fill the vast 2,555 seat Coliseum with such a little known work without a considerable marketing effort. It is contemplating playing the music down telephone lines so that anyone who needs convincing that they will enjoy it can get a taster.

There will also be a special offer, four seats for the price of three, to encourage celebratory parties. The same deal will cover the other holiday production, *Die Fledermaus*. It is all part of the ENO's intensified effort to sell more seats.

In recent years its audience has declined inexorably, to 63 per cent of capacity last season.

As the London theatre belatedly feels the effects of the recession (West End ticket

sales are down 1 per cent on last year), the two opera houses, the ENO and the Royal Opera House, Covent Garden, are looking towards imaginative marketing schemes to attract audiences and shore up revenue. They are well aware that declining attendances hardly help their case for more subsidy from the Arts Council.

But while the two Houses

considered plans to build auditoriums they are well aware of the pitfalls. Both have loyal, bedrock, supporters (who rarely overlap). They are terrified that embracing cut price promotions and special offers with too much enthusiasm will alienate their regular patrons and increase the current curse of the West End - last minute bookings.

The Royal Opera House experienced the problem recently when, to fill some

unsold capacity, it offered 13 seats for *Eugene Onegin*, ranging in price up to £255 for just £15 to members of its staff, and to the staff of the Royal Academy, with which it has friendly links. News of the promotion leaked out to the box office, who were busy placating opera lovers seeking similar treatment. The aim is to dispose of empty seats without upsetting traditional subscribers. At all costs the two Houses want to avoid introducing a bucket-shop image to a trip to the opera or ballet.

ENO and Covent Garden are taking different approaches to the same end. Although the ENO does make 58 seats available on the day at discount prices (£18 for the stalls; £6 for the gallery), and carries special offers for less popular operas through commercial radio and magazines like *Time Out*, its ambition is to sell more seats through attracting new audiences rather than reducing seat prices to its existing ones. It is working on a special promotion which will offer discounts to schools and to community groups.

Another recent production, *Street Scene*, is virtually unknown despite its origin as a Broadway musical. The ENO took a naming shot to First Call subscribers, pushing its history as a 20th century musical. It also made a media drive for radio producers, giv-

ing them complimentary seats in the hope that the tuneful songs would later feature on their play lists. But discounting is perilous. The ENO much prefers to encourage its core audience by offering a free 24-hour booking service and discounts in car parking until it gets the major promotion

you acquire points, and points can be converted into seats. Of course certain more challenging productions earn more points than others. The aim is to deliver audiences of around 92 per cent of capacity, and the promotion is likely to come into force next season, building on the databank of marketing it to schools or community groups.

It also has two advantages over its rival down the road. It has fewer empty seats to fill - last season its dance performances had a capacity of 87 per cent and opera 85 per cent. And it has more flexibility over its programming: ENO would find it financially counter-productive to cancel performances of an unpopular opera production but Covent Garden can switch its dance programmes, as it did last season when more offerings of *Tales of Beatrix Potter* were slotted in at the expense of the ailing *Prince of the Pagodas*.

Covent Garden is also working on a long-term solution to lifting audiences. It is based on the frequent flier programme of airlines. As you buy tickets

aimed at new audiences off the ground.

The need to boost ENO audiences has been intensified by the success of Covent Garden. In September Covent Garden launched a guaranteed ticket for £10 in a promotion for the FT. This attracted 17,000 responses, and will dispose of most of the unsold seats in the current season.

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TELEVISION

BBC1

7.00 *Leslie: 7.30* *Naughty, Naughty*: Mythical Magical Creatures. 7.45 *Follow the Sun*: 7.55 *James Bond and the Pirates*. 8.00 *Medieval Madness*: Invasion and Conquest. 8.15 *Yours and Jerry's Greatest Hits*. 8.30 *Live and Kickin'*.

12.12 *Weather*.
12.15 *Grandstand*, introduced by Steve Rider. 12.20 *Football Focus*, latest action from the FA Premiership.

12.25 *Racing from Newcastle*: The 12.25 *Grandprint* Gary Foden. 12.30 *Racing*: The 1.00 *Home*, 1.15 *Racing*, 1.30 *Monty's Last Distance Hurdle*, 1.10 *News*, 1.15 *Rugby Union*, 1.25 *Racing*: The 1.25 *Hanover Cognac Gold Cup Handicap Chase*, 1.45 *Rugby Union*, 1.55 *ITV Chart Show*, 1.55 *Movie, Games and Videos*.

1.00 *ITV News*; *Weather*.
1.05 *London Today*; *Weather*.

1.10 *Film*: *Victory* the Great Anna Neagle stars as Queen Victoria in this historical drama charting splendour in the life of the British monarch (1837).

2.10 *Civilization*: How the 17th century revolution in France led to revolutionaries discussing about the principles of light.

3.00 *Film*: *The Unlikely Wits*. A bored housewife plans to kill her husband – but unwillingly shoots the wrong man. With Diana Dors and Rod Steiger (1957).

4.30 *Grand Prix*: UK Championship. The concluding session of the first semi-final.

5.55 *Scrutiny*, new series. Anne Perkins investigates parliamentary committees.

6.55 *News and Sport*; *Weather*.

8.40 *Snooker*: UK Championship. Highlights of the decisive session in the semi-final.

7.20 *The Grand*: *Family*. How Hollywood in the 1930s responded to the Depression, either by miming its worst effects or denying their very existence. Films and news footage often contained propaganda designed to influence public reaction to issues such as the plight of California's poor and destitute, a problem which even prompted government action and inspired John Steinbeck's acclaimed novel, *The Grapes of Wrath*.

8.15 *In the Red*: Six volunteers from Bristol examine how money is used in their city.

8.35 *Performance*: *Hedda Gabler*. A newlywed woman, disillusioned with her life, is thrown into emotional turmoil by a smattering of old flames. Stephen Rea heads the powerful cast in this adaptation of Henrik Ibsen's play.

9.05 *Harry*. The wily reporter throws a party to celebrate the broadcast of Jonathan's video diary, but gets a shock upon seeing the programme for the first time. His parents are commanded when a friend is implicated in a 15-year-old case of police corruption. With Michael Elphick and Tom Hollander.

9.55 *News and Sport*; *Weather*.

10.15 *Match of the Day*. Desmond Lyman introduces highlights from two of today's FA Premiership matches, plus goals and news from remaining fixtures. Expert analysis and commentary by Alan Hansen, Trevor Brooking, Barry Davies and Clive Tyldesley.

11.20 *Snooker*: UK Championship. The conclusive frames of the second semi-final.

1.50 *Weather*.

1.55 *Close*.

BBC2

8.00 *Open University*: 8.05 *Macbeth's Scotland*. 8.45 *Drop Kinney*, English subtitles. 11.05 *News*; 12.00 *Crash*, English subtitles.

12.15 *Film*: *Victory* the Great Anna Neagle stars as Queen Victoria in this historical drama charting splendour in the life of the British monarch (1837).

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1.50 *Weather*.

1.55 *Close*.

LWT

6.00 GMTV, 9.25 *What's Up Doc?* 11.30 *The ITV Chart Show*, 12.30 *Movie, Games and Videos*.

1.00 *ITV News*; *Weather*.

1.10 *Film*: *Boy*. Comedy with Harry Corbett and Michael Buxton (1965).

2.45 *USA Basketball*. Alvin Byrd with an hour of action highlights.

3.45 *Who's Who*. Gossip and glamour news, including a guided tour around the extravagant home of millionaire antiques dealer Martin Miller.

4.15 *Cartoon Time*.

4.40 *ITV News and Results*; *Weather*.

5.15 *Cartoon*.

5.25 *Catchphrase*.

5.35 *Gladiators*.

5.55 *Big Dads*.

7.55 *ITV News*; *Weather*.

8.00 *ITV News*; *Weather*.

8.30 *ITV News*; *Weather*.

9.00 *Weather*.

9.05 *The Bill*. Sun Hill officers deal with a local resident-turned-vigilante who attacks drug dealers.

9.35 *Film*: *The Magician*. Clive Owen plays a London detective whose investigation into the slayings of a mysterious counterfeiter takes an unexpected turn when an American businessman steps forward with vital information – can the man be trusted? Crime drama based on a true story, with Jeremy Irons and Joely Richardson.

11.35 *Aids* – In a New Light '93.

Celebrities discuss the impact Aids has had on their lives. The programme is hosted by Paula Abdul and Arlene Hall, and features showbiz stars, including Elton John, Barry Manilow, Elizabeth Taylor, Roseanne, Cindy Crawford and Luke Perry.

1.05 *Film*: *They Endings*. A woman is forced to come to terms with her husband's death from Aids when she meets his gay lover. With Stockard Channing and Harvey Fierstein (TVM 1981).

2.05 *The Big E*: *ITV News Headlines*.

3.00 *Travel Trails*.

3.30 *New Music*.

4.30 *European Nine-Ball Pool Masters*.

5.30 *ITV Morning News*.

CHANNEL 4

6.00 Early Morning, 8.45 *The American Football Big Match*, 11.00 *Gazetta Football Italia*, 12.00 *Sign On* 12.30 pm *Sat TV*.

1.00 *The Three Stooges*. The temble trio turns up at King Arthur's court.

1.25 *Racing from Newcastle*. The 1.50 *Ladbrooke Handicap Hurdle*, 2.05 *Steel Plate and Sections Novices' Chase*, 2.40 *Bellway Horses Fighting Pitch*, 3.10 *Ladbrooke Handicap Chase*.

3.35 *Film*: *The Holly and the Ivy*. The festive season turns sour for a country person when revelations at a Christmas family reunion cause him to reassess his outlook on life. With Ralph Richardson and Denholm Elliott (1952).

4.05 *Brookside*.

6.30 *Right to Reply*.

7.00 *A Week in Politics*. Vincent Hanna and Andrew Rawnsley review the week's developments; *News Summary*.

8.00 *Four-Motions*. Three experimental short films begin with William Lathan's *Bogusness* that boasts state-of-the-art computer graphics. *Winter Trees*, by Sarah Downes, takes its inspiration from a poem by Sylvia Plath, and *Argument in a Subway* is a dark, in-the-works piece.

9.00 *ITV News*.

9.30 *Who's Line Is It Anyway?* Improvised comedy, hosted by Clive Anderson, with Tony Slattery and Josie Lawrence.

9.45 *Brides of Christ*. Mother Ambrose's attempts to implement the latest church reforms are disturbed by the arrival of a new priest with strong left-wing views. Matters are further complicated when the newcomer kindles romantic feelings in some of the more impressionable sisters.

Drama set in a 1960s Australian convent, with Sandy Gore and Phillip Quast.

10.05 *ITV News*; *Weather*.

10.45 *Film*: *Love Streams*. Drama chronicling the emotional ties that unite an eccentric brother and sister as they search for fulfillment.

Directed by and starring John Cassavetes, with Gena Rowlands, Seymour Cassel and Jakob Shaw (1984).

1.15 *Late Licence*.

1.25 *ITV News*.

1.30 *ITV News*.

1.45 *Equinox*. Special timed footage from a mission by the Space Shuttle Discovery, showing the procedures involved in launching and maneuvering the craft, and ensuring the survival of its five occupants.

2.00 *The Great Commanders*. Accomplishments of Julius Caesar.

2.45 *Snapshots*. Bob Geldof returns to his native Dublin.

3.00 *Witness*. Former hostage Brian Keenan describes his four-and-a-half-year ordeal in Lebanon to friend and film maker David Hammond. Last in series.

3.15 *High Interest*. John Pinder of The Financial Times explores the difficulties facing senior citizens as state pensions decline. He asks why occupational schemes often seem designed to benefit companies rather than individuals, and investigates the discrepancy between British pension rates and those in Europe.

3.30 *Moviewatch*, New series. Cinema reviews, including *Aladdin*, CB4 and Hard Target.

3.45 *The Cosby Show*.

7.00 *Equinox*. Special timed footage from a mission by the Space Shuttle Discovery, showing the procedures involved in launching and maneuvering the craft, and ensuring the survival of its five occupants.

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10.00 *Film*: *The Kid Off*. Thriller, with Loretta Young and Jackson Sims. Based on a novel by Jim Thompson. Part of the Made in the USA season (1988).

11.00 *Four-Motions*. Animation by women directors, featuring Connie's Askin's *Godspell*, dealing with the role of the Church; Caroline Lopez's romantic fairy tale *Swan Song*; *Rush Hour* by Cathy Slim, which deals with paranoias; and Michelle Salomon's offbeat look at hairdressing, *Perma-Wave*.

12.00 *ITV News*; *Weather*.

12.15 *Film*: *Childs from the South*. A young African girl arrives in the drama about a journalist who, after 20 years in exile following the political assassination of her father, returns to Mozambique (1991).

2.00 *Cue the Music*.

2.15 *Stuff*; *ITV News Headlines*.

2.25 *Get Stuffed*.

3.00 *On the Grid*.

4.00 *Night Heat*.

5.00 *Crusade in the Pacific*.

5.30 *Close*.

CHANNEL 5

6.00 Early Morning, 8.45 *The American Football Big Match*, 11.00 *Gazetta Football Italia*, 12.00 *Sign On* 12.30 pm *Sat TV*.

1.00 *The Three Stooges*. The temble trio turns up at King Arthur's court.

1.25 *Racing from Newcastle*. The 1.50 *Ladbrooke Handicap Hurdle*, 2.05 *Steel Plate and Sections Novices' Chase*, 2.40 *Bellway Horses Fighting Pitch*, 3.10 *Ladbrooke Handicap Chase*.

3.35 *Film*: *The Holly and the Ivy*. The festive season turns sour for a country person when revelations at a Christmas family reunion cause him to reassess his outlook on life. With Ralph Richardson and Denholm Elliott (1952).

4.05 *Brookside*.

6.30 *Right to Reply*.

7.00 *A Week in Politics*. Vincent Hanna and Andrew Rawnsley review the week's developments; *News Summary*



Five years ago, I sat at a table basking in the late autumn heat of inland Florida. Unfortunately I was unable to nod off, or to become peacefully squinty on one of those wonderful long American cocktails. The trouble was there were three other men around the table: big serious business executives, with big serious plans which they wanted to show me.

They reminded me of those diagrams one used to see during the cold war, of the effects of a nuclear bomb in the heart of London: the blob in the middle would be the impact in Whitehall, and the rings blossoming out denoted diminishing degrees of carnage.

These maps also charted flows of

Socrates was condemned to death for corrupting the youth of Athens. What sentence, then, would be appropriate for people caught teaching philosophy to five-year-olds?

Karin Murris, a Dutch philosopher, thinks metaphysics could be the saving of English education.

She was born (where else?) in the Spinosa Clinic, Spinosa Street, Amsterdam, and studied at the famous University of Leyden. She says that unless children are taught to think, they cannot learn. Unless they are taught to scrutinise everything thrown at them by parents, pedagogues, politicians and the press, they cannot develop into good citizens.

Her diagnosis could strike a chord in a country constantly bemoaning the failure of its state education – perhaps, too, with a prime minister whose slogan is "back to basics".

But, I asked her, do we really want to raise a generation of little sceptics?

Philosophy means freedom, she replied. "It gives you choice: not being stuck with what is, but learning to formulate what could be. It is questioning. When you feel satisfied, you make up your mind – temporarily – but keep an open-minded attitude. I don't believe that is a bad thing for children."

Even in moral matters?

Many teachers, she agreed, consider it their first duty to tell children what is right and wrong, what good and bad. "But it's not as simple as that. Children are constantly being taught moral values, anyway. It's only an assumption that they cannot probe further. If you teach answers, and teach dogmatically, they won't have the concepts to hear. If they haven't thought it through for themselves, do you think they will obey?"

Questioning should start from an early age because beliefs can perniciously lead to violence. "For instance, religion has been used – I am not saying it is inherent in religion – to justify violence."

Karin Murris does not look like a poisoner of tiny minds. She has a gentle voice, easy manner and mischievous eyes. She lives with her English husband in a smart big bungalow in Berkshire, from where she runs her Centre for Philosophy with Children. And she has children of her own: a son and daughter, both at a local state school, and a baby on the way.

"With my own children, I am always clear about the values I think important," she said. "There are a lot of rules you need to make living as a family possible."

population and vulnerability, but to something else: the power of Mickey Mouse, and, in particular to Mickey's new site, then being planned at EuroDisney.

The three executives were from the Disney corporation and were attempting to show me the ideal suitability of northern France for their first venture into theme parks outside the motherland. The rings denoted population density, and the rings of population movement. I forgot now how many millions of people they claimed were within four hours travelling of EuroDisney – thanks to the wonderful TGV –

but it was a number which, if these men had been characters in a Disney cartoon, would have turned their eyes into cash registers.

In part they were trying to convince me, a British journalist, that the outskirts of Paris was, on purely objective grounds, a far better site than anything that Britain could offer. I assured them that I was not in the least offended, and nor were the people of Britain. As it turned out, the people who were offended were the Spanish, but their government could not afford the – entirely legal – financial inducements offered by France.

Now we are all, particularly the investors in EuroDisney, much wiser. It is not just the lack of sufficient passing trade that is the problem. It seems that Europeans find the working practices of the Disney corporation rather too onerous. A number of these disgruntled employees have gone into print on the matter: in Friday's *Daily Telegraph* one Christine Ruhle, who gave up after only eight weeks, complained that "We were remake in Walt's image" (although I think she looked sweet in the accompanying photograph, wearing her Mickey Mouse hat).

If Miss Ruhle had been reading my column more attentively, she could have spared herself the embarrassment. As I reported 18 months ago, on that trip to Florida, I stumbled across a document setting out the dress code for employees. They made the British army seem lax. So as a service to similarly-minded potential employees, I will quote it again from the section headed "Women: Hair": It stipulated, among other things: "Hair below shoulder length should be worn combed away from the face so that it will not fall forward or over the face when performing normal job duties. Side tendrils, if worn, should not extend below the bottom of the ear-lobe. If a yarn or hair ribbon is worn it should be no wider than one half inch, or longer than four inches when tied. Stick pin barrettes (both leather and plastic); and knotted chiffon (dorm) holders are not acceptable."

Domestic Lesson is editor of the *Spectator*.

permitted.

Americans seem happy to put up with such rules. Theirs is a society which not only tolerates homogenisation, but worships it. But we in Europe are quintessentially obsessed with individualism, particularly in matters of dress and appearance.

The Americans also are happy questioning. I was amazed, in Florida, to see families standing for two hours to spend a minute on some new attraction. I could never see that happening in northern Europe. But the reason was not anthropological. It was the weather. It was simply too cold or wet, most of the year, for any sane family to want to queue. That is a point which it never occurred to me to put to these Disney executives five years ago, as we sat in our shirt sleeves in the heat of Florida in October.

Domestic Lesson is editor of the *Spectator*.

and disruptive children. Giving them permission to express their own opinions raises their self-esteem – and low self-esteem is cited often these days as a cause of addiction to drugs and violence.

"The older I get, the more I realise how limited our thinking is and what we can grasp with it," Murris said, finally.

"Philosophy gives you another perspective on life, and the more perspectives you have, the richer a person you are. The aim of education is not just to teach this or that subject, it is all about choices, ideas. What sort of life do you want to live? What sort of person do you want to be?"

"We always assume we remain the same person, that we have to have some coherent life story. But is there such a thing? We are constantly becoming the person we want to be. So, there is no harm at all in teaching children they are not stuck."

"You can only hope they take out what you value. But, at the end of the day, it's their decision. In a society that is rapidly changing, we haven't got a clue what our children will need in 10 or 20 years' time, do we – what knowledge, what sort of skills?"

"But thinking soundly about these things is, I think, the best thing you can give them: about what they hear, what they see on television, what they read in the newspapers." She smiled wickedly. "Including the *Financial Times*."

"A glass of champagne, not hock, I think, for Karin Murris. But how many teachers wrestling to till the three Rs will be capable of delivering the fourth?"

Just who is taking the Mickey?

Dominic Lawson explains why Europeans want to wash that mouse right out of their hair

When philosophy is kids' stuff

Private View / Christian Tyler



Children should challenge authority – not the law, the police or their teachers, but epistemological authority: where do our beliefs come from? How do I justify them? "You can be very sceptical about the origin of belief and the possibility of true knowledge without..." She paused. Becoming an anarchist?

"Exactly." There is no count of British schools that have tried teaching children philosophy but the idea is not new. It began 20

years ago in the US when Matthew Lipman, a university philosophy professor and guru of the movement, had a bright idea for engaging the minds of no-hoppers from city ghettos. It is now taught in 5,000 schools there and has spread to 35 other countries. It seems to be particularly popular in eastern Europe, Russia and South America.

Lipman and his disciples use philosophical novels of the professor's own composition (the first, punningly titled *Harry*

Stoilemeier's Discovery, was on logic) to provoke disciplined debate between children on a topic of their own choosing. Murris follows Lipman's method but uses different material. Being herself mainly a product of the continental tradition of philosophy, she is unhappy with some of the Lipmanites' doctrines.

I asked her if there was an age below which children were incapable of philosophising. "I don't think so. As soon as they can talk, they come up

with the most amazing questions. Infants are very open and sparkling and very creative in their thinking. The older they get, the more closed down the answers become. If you don't start young, you have missed most people."

She recalled conducting a class of middle-class 10-year-olds: "They were as good as gold, honestly. But they couldn't formulate questions. They just didn't want to explore ideas."

Do boys and girls think differently?

"I haven't noticed it."

How many women philosophers have there been?

There was a reproving silence. "That's a rhetorical question, not an open-ended question." Then she decided I was joking and laughed merrily. "There've been so many: you're just not aware of them! But it's the same as in history, sciences, everything. Why did the Dutch produce so many good philosophers and painters?"

It is often said that men are better at sequential thinking, women at intuitive, lateral thinking.

I don't know. This left-brain, right-brain thing assumes a mechanistic view of the mind, anyway. Philosophy deals with both. You think with your guts, too. Scientists working on projects for 10 or 20

years feel in their guts that something is there. Philosophy is very much a passionate affair. It's a passion for thinking. You are constantly in motion. That's why you can never be wise."

Are there forbidden topics?

None, she said, unless schools have discussion of sex without parental permission. Children had fewer taboos than adults. They needed to talk about death, for example, and could spot the difference between "suicide" and "killing yourself". Sometimes, racism crops up.

"It's wonderful when it comes up in philosophy because then you neutralise the whole thing: 'Why did you say that?' You have to justify. As soon as prejudices come to the surface, they can be dealt with – by the children."

Don't you get complaints from the parents?

"It's funny, but I haven't had a single one. Children seem to know when they can or can't say certain things. They're very clever."

Murris said philosophy does not subvert the rest of the curriculum but complements it. Do you mean, I said, that it is the sub-structure?

"Absolutely. That's a lovely way of putting it: it is the sub-structure. Philosophy is the fourth R – reasoning – that underlies the three Rs."

Philosophy gives you another perspective on life, and the more perspectives you have, the richer a person you are. The aim of education is not just to teach this or that subject, it is all about choices, ideas. What sort of life do you want to live? What sort of person do you want to be?"

"We always assume we remain the same person, that we have to have some coherent life story. But is there such a thing? We are constantly becoming the person we want to be. So, there is no harm at all in teaching children they are not stuck."

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Reaping science's reward

By Michael Thompson-Noel

Will he or won't he? All week I have been in a state of trepidation, wondering whether Kenneth Clarke has Ha Ha Ha, Britain's chancellor of the exchequer, will dare to introduce value added tax on books and newspapers – the so-called tax on the so-called tax on Tuesday's Budget. I do not have a surplus of knowledge, anyway, and the prospect that its acquisition may be taxed has filled me with dismay.

In a flurry of desperation I have been reading book after book – one of which, called *Making of the Modern World*, about milestones in science, has had a strange effect, calming and pacifying me in a way I would not have thought possible for someone whose normal state of mind as he surveys this weary planet is one of melancholy.

Making of the Modern World was produced by experts at the Science Museum in London, and lists 100 key developments in science, technology and medicine. The photography is superb.

According to John Murray, the publisher, the inventions are presented chronologically to give an idea of the historical progress made in science, starting with the Byzantine sundial calendar in 1217 AD through to genetically engineered mice in the 1980s. Other inventions covered include Arkwright's spinning machine, Trevithick's high-pressure engine, Elias Howe's sewing machine, *Puffing Billy*, the first plastic, Bell's telephone, early cine cameras, the first tube railway, polythene, the V2 rocket, and Marconi's first radio transmitter.

Before plunging in, I jotted down a short

list of scientific breakthroughs I would like to see. I did not ponder deeply. The idea was to improvise, at speed, a list of obvious improvements on the life we live now and see how it compared with the 100 key inventions listed in the book.

My list: a cure for cancer, and for all forms of illness; an anti-stupid pill; supercheap power; a gun that never hits its target; improved human life expectancy; a way to save the elephant and all God's creatures.

It is not a brilliant list. It is amazingly airy-fairy. Even I can see that now. But

Bell's reaper proved to be the first workable design. He was ignorant of previous research, except that of James Smith, and dismissed a succession of ideas until starting work on a design incorporating the cutting action of garden shears. A small working model was made in 1827, followed by a full-scale prototype.

It is not the least difficult to see how Bell's invention has played its role in shaping the modern world – or to realise that without it the European Union, among other ingenious things, would hardly have come into existence. No Bell's reaper: no Jacques Delors. No Jacques Delors: pestilence, war and famine across the face of Europe.

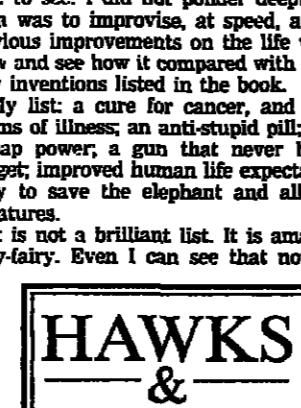
Similar trains of thought are produced by contemplating Lister's 1862 microscope, Bessemer's converter, Holmes' lighthouse generator, Crookes' radiometer, Wimshurst's electrostatic machine, the Rover safety bicycle, etc.

I am grateful to the Science Museum for helping me see why the world of today has become what it has. There is a reason for everything. Whimsicality is useless. An anti-stupid pill (given freely with *The Sun*) is probably nothing but wishful thinking.

Thanks to this book, I have grown tolerant and fond of all sorts of modern phenomena. Motorway service stations, British Rail, Eurotunnel and Euro Disney. John Major. Prince Charles. Britain's nuclear submarines. Alleged manifestations of the Virgin Mary. Vong Phaophanit's *Neon Rice Field*.

How long will this mood last? At least until Tuesday's Budget.

■ *Making of the Modern World*, edited by Nell Cossons, £17.95.



what I hadn't expected was the overwhelming practicality of the 100 key inventions listed by the museum. Most of these gadgets and processes were the result of centuries' worth of effort aimed at answering extremely specific needs.

None is airy-fairy, or was day-dreamed.

As the Science Museum says, reflecting on these inventions helps us appreciate why the world of today has become what it has.

An example is Bell's mechanical reaper, designed in 1827 by Patrick Bell of Cawdor, Scotland. For centuries, reaping (the cutting of corn at harvest) had been done using hand-held sickles and scythes, even though a mechanical reaper had been described in the writings of scholars of ancient Rome.

The stag has always occupied a prime position among the symbols deployed by thirsty mankind. Its antlers graced the ale-halls of the Vikings, Gauls & Saxons. So,

125 years ago, someone suggested it be used as an emblem for the (originally English)

Hine family's century old cognac house.

It couches on the label to this day,

reminding you to ask for Hine

as in 'hind' & not, as some

try to frenchify it, 'Een'

when ordering this

most graceful &

majestic of

spirits.



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CHristie 15/50